

for printing and reference to the proper calendar, as follows:

Mr. COLMER: Special Committee on Post-War Planning. Interim report pursuant to House Resolution 408. Resolution to investigate all matters relating to post-war economic policy and problems (Rept. No. 1756). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 5169. A bill to amend the Canal Zone Code; to the Committee on the Merchant Marine and Fisheries.

By Mr. CANNON of Florida:

H. R. 5170. A bill to extend the benefits of title 11 of the Social Security Act to certain employees performing service outside the United States; to the Committee on Ways and Means.

By Mr. DINGELL:

H. R. 5171. A bill to eliminate unfairness and discrimination against enlisted personnel of the Medical Department of the Army; to the Committee on Military Affairs.

H. R. 5172. A bill to eliminate unfairness and discrimination against enlisted personnel of the Hospital Corps of the Navy; to the Committee on Naval Affairs.

By Mr. HARLESS of Arizona:

H. R. 5173. A bill to provide additional compensation for enlisted personnel of the Medical Department of the Army who serve in combat areas; to the Committee on Military Affairs.

By Mr. SHEPPARD:

H. R. 5174. A bill creating an Office of Naval Research and Development in the Navy Department; to the Committee on Naval Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER:

Memorial of the Council of the City of Toledo, memorializing the President and the Congress of the United States to enact House bill 4915, post-war highway bill now pending before the House of Representatives, and declaring an emergency; to the Committee on Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. IZAC:

H. R. 5175. A bill for the relief of Gladys Elvira Maurer; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 5176. A bill for the relief of Irma S. Sheridan; to the Committee on Claims.

H. R. 5177. A bill to provide for the reimbursement of certain civilian personnel for personal property lost as a result of the Japanese occupation of Hong Kong and Manila; to the Committee on Claims.

By Mr. WHITE:

H. R. 5178. A bill to authorize the President to present the Distinguished Service Medal to Mrs. EDITH NOURSE ROGERS and Mrs. FRANCES P. BOLTON; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5980. By Mr. GAMBLE (by request): Petitions circulated by W. S. LeSeur of New

Rochelle and Mrs. Charles Staiger of Scarsdale, N. Y., and signed by sundry other residents in Westchester County, protesting against the enactment of any prohibition legislation; to the Committee on the Judiciary.

5981. By Mr. GRAHAM: Petition of the congregation of St. John's United Evangelical Protestant Church of New Sewickley Township, Beaver County, Pa., representing approximately 200 persons, for passage of the Bryson bill, H. R. 2082, prohibiting the manufacture, sale, or distribution of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5982. By the SPEAKER: Supplemental petition of James J. Laughlin, petitioning consideration of his resolution with reference to the impeachment of the Honorable Edward C. Eicher, chief justice of the District Court of the United States for the District of Columbia; to the Committee on the Judiciary.

5983. Also, petition of district 51 of Lions International, petitioning consideration of their resolution with reference to a request to the Department of State that the government of the island be given an opportunity to express its views before such treaties between the United States and other countries, specially in the Caribbean area, are definitely signed and put into effect; to the Committee on Insular Affairs.

5984. Also, petition of National Cotton Council of America, petitioning consideration of their resolution with reference to post-war cotton exports; to the Committee on Ways and Means.

SENATE

FRIDAY, AUGUST 11, 1944

(Legislative day of Tuesday, August 8, 1944)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. A. P. Wilson, minister of the First Christian Church, Charlotte, N. C., offered the following prayer:

Our Heavenly Father, we come humbly before Thee this day. For long months we have been groping our way in the darkness and horror of the Valley of the Shadow of Death. There have been times when we have lost hold of Thy hand and lost our confidence in Thee.

Yet we thank Thee for Thy leading and guidance.

And now we see before us the glimmerings of the new day, a day when peace shall be our aim and heart's desire.

Grant that, as Thou hast guided us in the difficult days of war, we will not shun Thy guidance in the more difficult days that lie ahead, days of perplexity, days of problem, days that ask for patience and superlative wisdom.

We pray Thee that when the time does come no hatred or viciousness shall interfere, but that we will readily exchange the closed fist for the open hand.

Grant Thy benediction upon this honorable House. Be with their loved ones on the battle front, and help them in the problems of their personal lives.

Grant to them the wisdom which is from above which is "first peaceable," and grant them Thy wisdom and understanding so that when the history of the world is written mankind may look back

to bless them for their decision in this fateful hour.

In the name of Him who came to establish the Kingdom of God. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, August 10, 1944, was dispensed with, and the Journal was approved.

PERSONNEL OF THE LAND FORCES

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of War, transmitting, pursuant to law, a confidential report of the number of men in active training and service in the land forces on June 30, 1944, under section 3 (b) of the Selective Training and Service Act of 1940, which was referred to the Committee on Military Affairs.

PETITION

The VICE PRESIDENT laid before the Senate the petition of L. E. Berno, of Mansfield, Ohio, praying redress for alleged infringement of certain copyrights relating to the principles of unemployment compensation, which, with the accompanying paper, was referred to the Committee on the Judiciary.

RESOLUTION ADOPTED BY INTERNATIONAL PICNIC ON MASONIC ISLAND, CANADA

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the Record and appropriately referred a resolution adopted by 500 Canadian and American citizens meeting in joint session at the annual international picnic on Masonic Island, Lake Metigoshe, Canada, which is on the boundary line, in the Peace Garden. The resolution was sent to me by Judge Gummer Grimson, of Rugby, N. Dak.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the Record, as follows:

Whereas this annual international picnic on Masonic Island, Lake Metigoshe, has had from the very beginning, the promotion of peace and good will between the citizens of the Province of Manitoba, Dominion of Canada, and those of North Dakota, United States of America; and

Whereas the citizens of these two great nations are, with our allies, now engaged in the most gigantic struggle the world has ever known, to preserve the right of men to be free: Therefore be it

Resolved, That we here recognize the magnificent response which our two nations have made to the call for a mighty army, the world's greatest navy, and air fleet of unequaled magnitude. Not only this, but we have furnished to our allies war machines and material in ever-increasing abundance.

Further, again we pledge our all—our lives—our fortunes and our sacred honor. Many of our sons have made the supreme sacrifice. Thousands more of our best youth must make the same sacrifice. Few of us, however, will go forth to battle, but we cannot avoid our great responsibility as loyal citizens of our respective nations, to see that never again shall Nazi Germany or the military caste in Japan have power to disturb the peace of the world, that we shall never again be unprepared to defend ourselves and that some form of effective cooperative international organization is formed, by means

of which the just peace, which must follow this war, is made a lasting peace. Modern invention and science has made the world a unit. We of the Americas can no longer live to and for ourselves.

The future of civilization based upon the Christian ideal and all that we hold dear depends upon right attitudes and decisions now; be it further

Resolved, That copies of this resolution be sent to the President of the United States, the Prime Minister of the Dominion of Canada, the heads of our Provincial and State governments and to the Grand Masters of Manitoba and of North Dakota.

NATURALIZATION OF NATIVES OF INDIA— RESOLUTIONS BY INDIA WELFARE LEAGUE

Mr. LANGER. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD and appropriately referred a letter sent to me by the India Welfare League, incorporating resolutions adopted at the league convention held in Sacramento, Calif., on July 27, 1944.

There being no objection, the letter embodying resolutions was referred to the Committee on Immigration and ordered to be printed in the RECORD, as follows:

INDIA WELFARE LEAGUE, INC.,
New York City, August 5, 1944.

Hon. Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LANGER: We delegates of India farmers and of the India Welfare League Inc., from Arizona, Texas, California, and Washington, assembled to the conference of people of India on Thursday, July 27, 1944, at the Labor Temple, Sacramento, Calif., to thank you very much for your coming to California to help us in our hour of trouble by introducing the passage of bill S. 1595 to allow 3,000 natives of India to become naturalized.

The people of India are still subject to taboo. Indian soldiers, mighty good soldiers too, have fought for us in Burma and north Africa. They are fighting for us now in Italy. In land operations against the Japanese in Southeastern Asia, their aid will be of great value. Are the Indians not entitled to ask, as they are asking, no longer to be excluded from entry into the United States of America and from asking citizenship? The removal of a mark justly offensive to their pride and self-respect will be not merely testimony of our gratitude for their armed aid, but a matter of justice and equality of treatment.

Today the Indian farmers and laborers in the United States are contributing their utmost in order to end this global war. They are producing all the necessary foods, such as rice, wheat, and vegetables. The following: Mr. Sultan Ali Khan, Calusa, Calif.; Kalu Khan, Willows, Calif.; J. D. Kahn, Rustam Khan, D. Ram Singh, of Phoenix, Ariz., and Contio, Tex.; Dywan Singh, Casa Granda, Ariz.; Ruttem Singh, Erawley, Calif.; Rhmat Ulla, Nishmat Khan, and Abdul Kareem Khan, of Phoenix, Ariz.; Babu Khan, Atta Mohammed Khan, and N. Mohammed Khan, of Imperial Valley, Calif.; Kussi Mohammed Khan, Marysville, Calif.; Fozil Mohammed, Willows, Calif.; and many others are listed in the Agricultural Department in Washington, D. C.

We most respectfully bring to your attention the plight of the natives of India residing here and the need for the decent rectification of their disbarment from the naturalization privileges, and seek all necessary legislative measures in their behalf.

Respectfully yours,

RUSTAM KHAN,
JALAL DIN KHAN.

To the Congress of the United States, Washington, D. C.:

(Attention Senator WILLIAM LANGER)

We, the delegates of India farmers and India Welfare League, Inc., from Arizona, Texas, California, Nevada, and Washington assembled in the conference of people of India asking for the passage of Senate bill S. 1595, do solemnly ask for the immediate passage of said bill in the interest of justice and the farmers, especially in honor of our sons in the United States and their brothers in India who are fighting shoulder to shoulder in Africa, Europe, and Burma.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ELLENDER:

S. 2069. A bill for the relief of Irma S. Sheridan, postmaster at Rockville, Oreg.;

S. 2070. A bill for the relief of G. F. Allen, Chief Disbursing Officer, Treasury Department, and for other purposes;

S. 2071. A bill to eliminate as uncollectible certain credits of the United States; and

S. 2072. A bill to provide for the reimbursement of certain civilian personnel for personal property lost as a result of the Japanese occupation of Hong Kong and Manila; to the Committee on Claims.

By Mr. WALSH of Massachusetts:

S. 2073. A bill to authorize the Secretary of the Navy to convey to Oahu Railway & Land Co. an easement for railway purposes in certain lands situated at Halawa, Ewa, Oahu, Territory of Hawaii; to the Committee on Naval Affairs.

(Mr. TYDINGS (for himself and Mr. BILEO) introduced Senate bill 2074, which was referred to the Committee on the District of Columbia, and appears under a separate heading.)

By Mr. DOWNEY:

S. 2075. A bill to provide a method for compensating certain individuals for damages sustained as the result of the explosions at Port Chicago, Calif.; to the Committee on Naval Affairs.

By Mr. WALSH of Massachusetts:

S. 2076 (by request). A bill to provide for the retirement of certain veterans who served in both World War No. 1 and World War No. 2; to the Committee on Naval Affairs.

By Mr. LANGER:

S. 2077. A bill for the relief of W. C. Wornhoff and Josephine Wornhoff; to the Committee on Claims.

HOSPITAL CENTER IN THE DISTRICT OF COLUMBIA

Mr. TYDINGS. Mr. President, on behalf of the Senator from Mississippi [Mr. BILEO] and myself, I ask unanimous consent to introduce for appropriate reference a bill providing for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia. I request that the bill may be printed in the RECORD, together with an explanatory statement thereof.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 2074) to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, introduced by Mr. TYDINGS (for himself and Mr. BILEO), was received, read twice by its title, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) the board of trustees selected in accordance with subsection (b) of this section, and their successors, are hereby incorporated and made a body

politic and corporate, by the name of "The Washington Hospital Corporation" (hereinafter referred to as the "corporation"), and by that name may contract and be contracted with, sue and be sued, plead and be impleaded in any court of law or equity of competent jurisdiction, and may have and use a common seal.

(b) The business and affairs of the Corporation shall be conducted by a board of trustees, which shall be composed of seven members, unless otherwise increased as hereinafter provided, one of whom shall be appointed by the Surgeon General of the United States Public Health Service, one by the Board of Commissioners of the District of Columbia, one by the Community Chest of Washington, D. C., two by the board of directors of Garfield Memorial Hospital, and two by the board of directors of Central Dispensary and Emergency Hospital, all of such hospitals being in the District of Columbia. Each of such trustees shall be appointed for a term of 5 years, and the original appointment shall be made within 60 days after the date of enactment of this act; and such corporation shall have power to make bylaws not inconsistent with this act for the conduct of its affairs. Any vacancy on the board of trustees shall be filled by appointment made in the same manner as in the case of the original appointment. If any of those entitled to make appointments shall fail at any time to appoint any trustee, then such appointment shall be made by the Surgeon General of the Public Health Service for service temporarily until such trustee shall be appointed in the regular manner.

(c) The board of trustees first appointed shall meet within 90 days after the date of enactment of this act and elect a president, vice president, secretary and treasurer, and such additional officers as the bylaws may provide, and also transact such other business as may properly come before them, including the adoption of bylaws for the proper conduct of the corporation. Thereafter the meetings of the trustees shall be held at such times and places as may be provided in the bylaws. The Corporation shall not be conducted for profit, and it is hereby declared to be a charitable and benevolent institution, and all of its funds and property shall be exempt from taxation.

(d) The Corporation shall have perpetual succession and shall have power to acquire, hold, and dispose of real and personal property, and generally to do all lawful acts necessary to carry out the functions vested in it by this act and to provide for the operation of the hospital center established in accordance with the provisions of this act.

Sec. 2. The Corporation is authorized to enter into agreements with Garfield Memorial Hospital and the Central Dispensary and Emergency Hospital (hereinafter referred to as "participating hospitals") providing for the establishment, maintenance, and operation of a modern, adequate, and efficient hospital center in the District of Columbia, with a capacity of not more than 1,500 beds and with all necessary parking space, appurtenances, equipment, and other facilities such as operating rooms, laundries, laboratories, X-ray machines, heating plant, nurses school and home, and the like. Such agreements may be conditioned upon a suitable site, buildings, and equipment for such hospital center being provided in accordance with section 3 of this act; and shall provide that when a suitable site, buildings, and equipment are so provided, the participating hospitals will undertake to maintain and operate the hospital center, under the supervision and control of the board of trustees of the Corporation and in accordance with the provisions of this act, and that the participating hospitals will devote their full resources to this purpose: *Provided*, That no part of the funds of one hospital shall be

required to be employed for the maintenance or operation of any part of the center used exclusively by another hospital.

SEC. 3. (a) After the Corporation has entered into agreements with the participating hospitals in accordance with section 2, the board of trustees of the Corporation shall select, with the approval of the National Capital Parks and Planning Commission, a suitable site within the District of Columbia for such hospital center.

(b) Within the limits of appropriations made therefor pursuant to section 6 of this act and subject to the approval of the board of trustees of the Corporation, the Federal Works Administrator is authorized and directed, as promptly as may be upon the termination of the war—

(1) To acquire, by purchase, condemnation, or otherwise, the site selected by the board of trustees for the hospital center, together with such real property as may be situated thereon.

(2) To provide buildings (either by new construction, or alteration and renovation of existing structures), additional improvements and appurtenances, and such equipment and machinery as may be necessary for the proper operation and maintenance of such hospital center.

(3) Upon completion of such hospital center, to convey, on behalf of the United States, all right, title, and interest therein to the Corporation.

(c) All plans, designs, and specifications for buildings and equipment for such hospital center, and for improvements upon its site, shall be subject to the approval of the board of trustees of the Corporation.

SEC. 4. When the hospital center has been conveyed to the Corporation, it shall be maintained and operated by the participating hospitals under the supervision and control of the Corporation. Each of the participating hospitals shall be entitled to the exclusive use of such part or parts of the hospital center as may be determined by agreement between such hospital and the Corporation, for the purpose of conducting its operations as a hospital within such part or parts of the hospital center. The participating hospitals jointly, under the supervision and control of the Corporation, shall maintain and operate within the hospital center such central heating, laundry, and other facilities and services necessary to the proper and efficient operation and maintenance of such center as the participating hospitals and the Corporation agree may best be operated or performed by such hospitals jointly. The cost of maintaining such joint facilities and services shall be paid by the participating hospitals in such manner and proportion as the Corporation determines to be appropriate and equitable.

SEC. 5. (a) The Corporation may, in its discretion, enter into agreements with any voluntary hospital in the District of Columbia rendering service for indigent or semi-indigent patients and may allocate to such hospital, from appropriations made pursuant to section 6, such sums as may be available upon completion of the hospital center, for the replacement, enlargement, renovation, or modernization of any part of such hospital's buildings as said Corporation may determine to be in the public interest, having in view the most economical and effective use of available funds for hospitalization and to the end that the facilities of such hospital may be utilized to the best advantage. Such sums so allocated for affiliating hospitals shall be paid to such hospitals by the Secretary of the Treasury upon certification by the Corporation, and shall be paid at such time or times as may be specified in such certificate: *Provided*, That before entering into any such agreement, the Corporation shall be satisfied that such hospital is prepared to undertake such responsibilities of management and maintenance as

may be necessary to conduct its operations as an affiliate of the hospital center. Such affiliation shall obligate such hospital to coordinate its facilities with the hospital center in such manner and subject to such conditions as may be determined by the Corporation in the public interest.

(b) The board of trustees of the Corporation shall have power, in its discretion, to increase its membership for the purpose of giving appropriate representation to the constituent hospitals.

SEC. 6. There are hereby authorized to be appropriated such sums, not to exceed \$-----, as may be necessary to carry out the provisions of this act.

SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

The explanatory statement presented by Mr. TYDINGS is as follows:

I have introduced together with Senator BILBO in the Senate, and Representatives RANDOLPH and D'ALESSANDRO have introduced in the House, a bill designed to give to Washington a modern, adequate, and efficient hospital center.

The Federal Government would provide the funds to build the center which thereafter would be maintained and operated from hospital revenues, income from endowments, and contributions by individuals and civic organizations without further charge on the Federal Government for operating funds.

For the past 6 months a group of public-spirited citizens have been conducting surveys, exchanging views, and attempting to formulate the plan best calculated to achieve ample, economically operated, and modern hospital facilities for the District.

The bill introduced is the result of the conferences and studies. The existing voluntary hospitals of Washington are in many respects obsolete; the buildings are antiquated, nonfireproof, and badly planned. One-half of the present patients are in buildings with very serious fire hazards. No considerable additions have been made to Washington hospital facilities for many years. In some cases hospital buildings are situated so as to prohibit expansion except at prohibitive cost.

In 1941 it was estimated there was a 2,000 hospital-bed shortage. Since then the population has grown markedly, and to accommodate the increased population 700 extra beds have been set up in rooms and wards which were already pitifully crowded and congested.

To speak frankly, if we tolerate further the deplorable hospital conditions, the overcrowding and the lack of modern facilities in the Nation's capital it would be a disgrace. More than that, it might lead to a serious epidemic unless corrective measures are taken.

Here are the figures: Since 1920 the population of Washington has increased 130 percent; the number of hospital beds has increased during that period but 58 percent. So while the population has more than doubled, the number of beds has increased only one-half. Thus, we have in the present hospitals about 3½ beds per 1,000 of population. Health standards require that we have 5 beds per 1,000 persons. We have a bed shortage of 2,100 beds at the present time, and of the beds already available, about 1,000 are the result of overcrowding.

Obviously the time has come to relieve this intolerable condition. Dozens of studies have been made as to how, without losing what we have, we can secure what we should and must obtain. The best thought seems to be that a hospital center into which our larger existing hospitals would be merged be established. With this hospital center, other hospitals throughout the District could be affiliated, always on a voluntary basis. Such a hospital center would itself contain not more than 1,500 beds with complete

facilities for diagnosis and treatment in all the specialties. It would have to contain ample administrative units and have facilities used to accomplish major operating economies, such as power plant, laundry, store rooms, purchasing department, diagnostic laboratories, X-ray facilities, physiotherapy, operating and delivery quarters, etc. This set-up would make it possible for each of the District hospitals to care for its own clientele and yet take advantage of major economies to be effected by proposed consolidation and coordination.

The bill anticipates that the participating hospitals would maintain their corporate identities so as to safeguard their endowments and other resources, tradition and goodwill. The over-all management would have to be vested in some joint administrative Board.

The trustees of Emergency and Garfield Hospitals, two of our largest, have already signified their willingness to undertake the responsibility of operating the center, pooling their resources and experiences so as to build best on what we already have.

Of course, the ideal would be to construct such a center where it could serve easiest and best the great population of this city. The ideal site would require about 20 acres and ought to be convenient to transportation facilities and the like. The selection of the site should have the approval of the National Park and Planning Commission so as to tie in with the city's civic growth. The National Park and Planning Commission have made a survey and have recommended for further study about 12 sites in the District where acreage is available.

The bill that has been introduced seeks to point up all these matters so that they may be further considered by the appropriate committees of Congress. Obviously the bill is not the last word, but is the basis for study and the foundation for action.

Senator BILBO, the chairman of the District Committee of the Senate, has appointed the following Senators as a subcommittee on Washington hospitals: TYDINGS, chairman, REYNOLDS, BILBO, CAPPER, and BURTON.

As chairman of this subcommittee, it is my purpose to call the subcommittee together promptly and to call on leading witnesses for comment on the bill. Some 10 or 12 persons greatly interested in and familiar with hospital conditions in the District, I am advised, will testify in general support of the plan. When the hearings are closed, it is my hope to report the bill promptly and to endeavor to get it passed through the Congress.

The bill should carry the condition that work be begun as soon as the war is over.

For many years there has been constant reiteration of the need for modern, ample, and economical hospitals in Washington. It is my hope that we may at last have really commenced to actually secure what is obviously the greatest civic need in the Nation's Capital today.

THE FAIR EMPLOYMENT PRACTICE COMMITTEE AND THE TRANSPORTATION STRIKE IN PHILADELPHIA

Mr. RUSSELL. Mr. President, last Wednesday, in discussing some of the motives which lie behind the tragic strike which occurred in Philadelphia, I referred to the unusual publicity which had been given the investigation to be made by the Department of Justice. The grand jury inquiry into the trouble started the day I made my remarks.

The dramatic harangue to the multitude assembled in the courtroom made by the presiding judge at the point in the proceedings usually reserved for a charge by the court to the grand jury,

is the most powerful argument against life tenure in the Federal Judiciary that has come to my attention in some time. I hope that the carefully planned program directed at those who resisted the orders of the F. E. P. C. in Philadelphia is not to be capped by a judicial lynching.

I ask unanimous consent that an editorial entitled "Judicial Politics," appearing in today's Washington Post, referring to this speech by the judge to the crowd assembled in the courtroom, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JUDICIAL POLITICS

We find it difficult to see any judicial purpose that was served by Judge George A. Welsh's charge to the grand jury investigating the recent tie-up of Philadelphia's transit lines to look for political motives behind the strike. There seems to have been no previous indication that the walk-out was a political plot. But Judge Welsh had obviously smelled politics somewhere and insisted on passing along his views to the grand jury.

"Ordinarily we can avoid reference to certain things like racial prejudice, racial intolerance, religious bigotry, and partisan politics," he said. "But today we cannot do that. You have got to be cognizant of the fact that a national election is impending." Having thus injected politics into the case, Judge Welsh hastened to add: "God forbid that I should bring politics into this investigation, but we want you to find out what certain men did and why they did it."

If our understanding is correct, the purpose of a judge's charge to a grand jury is to instruct it in its duties. In most of the Federal courts the judges follow a special form of charge designed to emphasize in the minds of grand jurors the necessity of impartial deliberations free from prejudice or malice. It is not customary for judges to discuss the cases to be laid before the grand jury, and it seems to us highly improper for a judge to inject his personal opinions about such matters into the instructions he gives the investigators, as Judge Welsh did in this case. Undoubtedly the public interest demands a thorough inquiry into this incident, which had the effect of sabotaging the war effort. But that inquiry certainly ought to be kept as free as possible from partisan politics and offhand prejudgments.

It may reasonably be said that any strike in defiance of the Government involves politics in some measure. Walk-outs of this kind create bitter feelings which sometimes attach to officials who enforce the law against the will of the strikers. But we do not see how the courts can properly deal with that aspect of these cases. We had supposed the judicial issue to be whether the law—namely, the Smith-Connally Act—has been violated. In the circumstances Judge Welsh appears to have gone pretty far out of his way to drag politics into the judicial process.

THE GREATEST HOMECOMING OF ALL— ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "The Greatest Homecoming of All" delivered by him at Shiocton, Wis., July 22, 1944, which appears in the Appendix.]

BRETTON WOODS MONETARY AGREEMENT

[Mr. SCRUGHAM asked and obtained leave to have printed in the RECORD a letter dated June 21, 1944, addressed to the President of the United States and signed by 23 Senators, dealing with the international monetary fund plan, and a statement by himself on the Bretton Woods Monetary Agreement, which appear in the Appendix.]

ADDRESS BY BRIGADIER GENERAL TYLER BEFORE THE NATIONAL RIVERS AND HARBORS CONGRESS

[Mr. BUTLER asked and obtained leave to have printed in the RECORD the address delivered by Brig. Gen. Max C. Tyler, before the National Rivers and Harbors Congress, New Orleans, La., July 27, 1944, which appears in the Appendix.]

PEACE DESPITE THE FILIBUSTERS— ARTICLE BY SENATOR PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "Peace Despite the Filibusters," written by him and published in the New York Times magazine of June 25, 1944, which appears in the Appendix.]

EXTENSION OF UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (S. 2051) to amend the Social Security Act, as amended.

THE VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. GEORGE] to the first Murray-Kilgore amendment, so-called, as modified, striking out all after section 101 of said amendment and inserting in lieu thereof certain language.

The Senator from West Virginia [Mr. KILGORE] has the floor.

Mr. HILL. Mr. President, will the Senator from West Virginia yield?

Mr. KILGORE. I yield.

Mr. HILL. I suggest the absence of a quorum.

THE VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Green	Revercomb
Andrews	Guffey	Reynolds
Austin	Gurney	Robertson
Bankhead	Hatch	Russell
Barkley	Hawkes	Scrugham
Brewster	Hayden	Shipstead
Brooks	Hill	Stewart
Buck	Jackson	Taft
Burton	Johnson, Calif.	Thomas, Utah
Butler	Johnson, Colo.	Tobey
Byrd	Kilgore	Truman
Capper	Langer	Tunnell
Caraway	McClellan	Tydings
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Mo.	Maloney	Wallgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Danaher	Millikin	Weeks
Davis	Moore	Wherry
Downey	Murray	White
Eastland	O'Daniel	Wiley
Ellender	O'Mahoney	Willis
Ferguson	Overton	Wilson
George	Pepper	
Gerry	Radcliffe	

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILEO] is recuperating from a major operation at Mayo Clinic, and that the senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Missouri [Mr. CLARK], the Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. MCCARRAN], the Senator from Utah [Mr.

MURDOCK], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Oregon [Mr. HOLMAN], the Senator from North Dakota [Mr. NYE], the Senator from Kansas [Mr. REED], and the Senator from Idaho [Mr. THOMAS].

THE VICE PRESIDENT. Seventy-six Senators have answered to their names. A quorum is present.

Mr. BARKLEY. Mr. President—

THE VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Kentucky?

Mr. KILGORE. I yield.

Mr. BARKLEY. Before the Senate recessed yesterday I expressed the hope that this morning we might enter into an agreement providing for a limitation of debate. I hope we may do that. I think it is the general feeling of Members of the Senate that we should vote on the bill today. If we do not, we will have to have a session tomorrow, as I now see it, for proposed legislation dealing with another phase of the question of reconversion will be coming on the first of next week. I am wondering whether we might not at this time enter into an agreement for a 30-minute limitation on debate on the bill and all amendments.

Mr. KILGORE. Mr. President, I do not like to disagree to anything suggested by the Senator from Kentucky, but I have prepared some figures, the presentation of which I think may take more than the time suggested, and I understand two other Senators have prepared addresses which they wish to deliver today which might take a little more than the time indicated. That is the only objection I have to offer. I may say that I join with the majority leader in his desire to have the debate concluded.

Mr. BARKLEY. I should be willing, if I could have the request agreed to, to have the order made effective following the remarks of the Senator from West Virginia.

Mr. KILGORE. I should like to ascertain the wishes of one or two other Senators who may have prepared remarks.

Mr. BARKLEY. I have a feeling that the debate has proceeded long enough so that any Senator can express the meat of his argument in 30 minutes, although it would be delightful to listen to whatever the Senators might desire to submit for a longer period.

Mr. KILGORE. May I ask the majority leader if he will wait to make the request until later in the day after we have been able to make a check of the situation? Unless there be some prepared addresses which will occupy considerable time, I shall make no objection to the request of the Senator from Kentucky. I shall try to say what I have to say within a period of 30 minutes.

THE VICE PRESIDENT. The Chair would like to call attention to the fact that a limitation of 30 minutes on the bill and 30 minutes on an amendment would total an hour.

Mr. BARKLEY. The usual request made with respect to limitation of debate is an equal time on the bill and on an amendment; 30 minutes on the bill and 30 minutes on an amendment would total an hour. It seems to me that would be as much time as any Senator ought to consume at this stage of the debate. But I will postpone the request until the Senator from West Virginia shall have finished.

Mr. OVERTON. Mr. President, will the Senator yield to me?

Mr. KILGORE. I yield.

Mr. OVERTON. I should like to make an inquiry of the Senator before he begins his speech. I do not desire to interrupt him if he does not wish to be interrupted.

Mr. KILGORE. I will gladly answer the Senator's inquiry now.

Mr. OVERTON. I thank the Senator very much. The Senator realizes, of course, as everyone else realizes, that when we began to prepare for national defense, and afterward for the stupendous war effort in which we are engaged, we had to convert this Nation very largely from peacetime pursuits to war pursuits. In accomplishing that purpose, we took laborers from the farm, we took men from filling stations, we took them out of offices, we took them away from their clerical duties, and they were trained as industrial laborers and became quite skillful. If I may be permitted to do so in the Senator's time I should like to say that, by and large, I think the laborers of this country have performed a monumental and a very laudable task in preparing the Nation for the war effort. Now what we are trying to do in connection with the proposed legislation is to reverse the process, go back from wartime pursuits to peacetime pursuits.

Mr. KILGORE. I may suggest to the Senator in reverse procedure exactly, to go from war to peace.

Mr. OVERTON. That is it.

Mr. KILGORE. Because at the time the Senator speaks about, before the war, we were following a policy not only of national isolation but of isolation of our industries, which necessarily caused a certain amount of unemployment by reason of limitations on the sale of our products.

Mr. OVERTON. That is very true. I do not care to talk about any particular phase of it, except I think that our general purpose now is to reconvert ourselves into peacetime pursuits as soon as we can and as soon as hostilities are over, and to a large extent before the termination of all hostilities. In order to accomplish that objective I think that any legislation bearing on this subject should make it very clear that any person who can find employment at prevailing wages in any occupation or work he is capable of performing, and fails or refuses to accept such employment, would not be entitled to any of the benefits of the proposed legislation.

I have as best I could examined the provisions of the bill of which the very able Senator from West Virginia is co-author, and I do not find any clear provision on that subject. I am wondering whether the Senator agrees with me that

what we ought to have is not an invitation to idleness but, rather, an invitation to work.

Mr. KILGORE. That is correct.

Mr. OVERTON. Of course, we do not want to go back, as we did following World War No. 1, to bread lines, and we do not want to go back, as we did during the depression, to doles. What we want to do is to take care, by providing the proper unemployment compensation, of every man who is capable of working and who is unable to obtain work.

I was wondering whether the able Senator from West Virginia, after he consults with the coauthor of the bill, would be willing to accept a provision reading substantially as follows:

Notwithstanding any provisions of this act to the contrary, no person, otherwise entitled to receive interim payments or unemployment compensation under this act, shall receive such payments or compensation if and while he refuses or fails to accept, at prevailing wages, any employment to do work which he is capable of performing.

It is not very clear to me that the bill—

Mr. KILGORE. Would the Senator read the last part of that provision again, please?

Mr. OVERTON. It is very short. I will read it:

Notwithstanding any provisions of this act to the contrary, no person, otherwise entitled to receive interim payments or unemployment compensation under this act, shall receive such payments or compensation if and while he refuses or fails to accept, at prevailing wages, any employment to do work which he is capable of performing.

In other words, one who previously was not an industrial worker, but who has been receiving very high wages as an industrial worker in a war factory, could not say when there is no war work for him to do, "Well, now, I am an industrial worker." He may have been a filling-station employee, he may have been a clerical worker, and in his old peacetime pursuit he could again obtain employment and would be offered such employment, but he would refuse to accept it because he could say, "The compensation is not such as I have been accustomed to receive during the war period, and therefore I will not engage in this peacetime pursuit unless I can be paid the very large wages I was paid as an industrial worker."

Mr. KILGORE. Would the Senator amend his suggested amendment to include the words "provided such work does not entail such laborer engaging in a labor dispute"? I know from experience that when there is a serious labor dispute in a plant, if a local man were forced to accept labor in the plant, he might render himself very unpopular with his neighbors; in fact, he might endanger his future in the community. I do not think that is an unreasonable suggestion for a modification of the Senator's amendment. Frankly, I believe the bill covers the exact point the Senator has in mind; but let me suggest that amendment to him. I do not believe in asking any American citizen to stick his neck into a labor dispute in order to receive unemployment benefits. I think the Senator from Louisiana will agree

with me as to the desirability of such a proviso.

Mr. OVERTON. Mr. President, under the parliamentary situation, I am not entitled to offer an amendment, but the Senator from West Virginia [Mr. KILGORE] and the Senator from Montana [Mr. MURRAY] are in a position to modify their amendment.

Mr. KILGORE. The modification would have to be acceptable to my colleague the Senator from Montana, who offered the amendment, and who is the only one who could accept a modification. I refer the question of its acceptance to him. I will say that personally I have no objection to the Senator's suggestion, because it is my idea that that is the intent and purpose of the bill.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Louisiana a question?

Mr. KILGORE. I yield.

Mr. VANDENBERG. I should like to ask for an interpretation. Am I to understand that the Senator is seeking to eliminate all the so-called suitability tests except that of the prevailing wage?

Mr. OVERTON. I am basing a disqualification on the provision which I have suggested. If a man is offered work which he is capable of performing at prevailing wages and will not accept that work, he should not be entitled to the benefits of the act. I think such a provision is sound, sensible, and economically justified.

Mr. VANDENBERG. Does not the Senator from West Virginia think that that would eliminate all the suitability tests?

Mr. KILGORE. No; I do not think it would eliminate all the suitability tests. My feeling has been that the suitability test is not confined to the wage question. For example, a woman ought not to be asked to swing a 17-pound sledge. There are certain things which certain individuals cannot do. One should not be asked to do something which is physically impossible. I do not believe that a person should be compelled to accept a job at less than a subsistence wage. Of course, if it were the prevailing wage, and other persons were working at it, it would be a subsistence wage.

Mr. VANDENBERG. The Senator is familiar with the rather substantial list of reasons which are considered valid for not accepting work, and I am including all of those in the word "suitability." Would not the proposed amendment of the Senator from Louisiana eliminate all those paragraphs except the one relating to wages?

Mr. KILGORE. I do not know, because I have not had time to study it fully. With reference to definition, I respectfully refer the Senator from Louisiana to the Senator from Montana [Mr. MURRAY]. I shall be glad to take it up with him. As to the spirit of the amendment, I can see no reasonable objection; but, of course, the Senator from Montana is the one to pass on that.

Mr. OVERTON. I thank the Senator for yielding to me and making that suggestion. I shall be very glad to consult with the Senator from Montana.

I should like to bring out one further point. I believe that the George bill,

in reference to compensation and the period of compensation, is insufficient. On the other hand, I do not know how it could very well be modified so as to increase both the period of time in which unemployment compensation is paid and the amount. I feel that the so-called Kilgore-Murray bill compensation is too high.

I am emboldened to make a suggestion which I think would be very helpful if the Senator from Montana and the Senator from West Virginia would agree to a modification of that provision. When work is resumed on a peacetime basis, certainly we do not want any invitation to idleness. We want people to go back to work. We do not want to have the rate of unemployment compensation so high that it will dissuade some men from engaging in work. To restore our economy to a normal basis, we need to put men to work. We need to put capital to work. We need to put labor to work. We want everyone who is capable of working to work. We do not want any idleness in this country.

Mr. KILGORE. I echo the Senator's sentiments, with one addition. We want all men to go to work.

Mr. OVERTON. I thank the Senator. I hope that he and the Senator from Montana will consult on this question.

Mr. KILGORE. Mr. President, during the past few days the amendment offered by the Senator from Montana [Mr. MURRAY] has been represented as one to provide \$35 a week interim placement benefits to every unemployed worker. It has been so represented in the press, and in discussions on the floor of the Senate.

Such an impression is contrary to the plain and unmistakable language of the bill, which restricts the maximum benefit of \$35 a week to unemployed persons who have at least three dependents, and who have earned \$48 a week during the base period. On the basis of statistics from the Bureau of Labor Statistics it is estimated that the earnings qualification would disqualify four out of every eight workers, and that the dependency qualification would disqualify three of the remaining four. The effect of these qualifications would therefore restrict the maximum benefits to about one out of every eight workers.

Let me say further that when it is applied to the veteran, we find the percentage of veterans included and aided to be greater than that of other workers. My information is that approximately one-third of our veterans have dependents. The so-called G. I. bill discriminates in favor of the man without dependents by paying him exactly the same as the man with dependents. I happen to know that from my home State coal miners with five or six children were inducted into the military service and are still serving therein.

Since the attack has been centered on the \$35-a-week scale, which has been represented as an extravagance under which the economic back of the Nation would crack, let me say a few words in that connection. What does \$35 a week mean in terms of the things required to sustain life at the present time, under the present scale of prices? An exhaustive study was made under the super-

vision of the Department of Labor, which enables us to answer this question in some detail. I respectfully refer the Members of the Senate to that study for the details; but I should like to point out a few of the high lights.

In 1935 a careful study was made under the auspices of the Bureau of Labor Statistics to determine the minimum cost of maintaining a family of four persons—the head of the family, his wife, and two children. The basis of the study was the determination of what is a minimum existence wage on which an American worker can live. This can be taken as a typical family which under the provisions of this bill would receive the \$35 benefit, if the head of the family previously earned at least \$47 a week. At that time, 1935, on the basis of commodity costs for the essentials of living, it took \$1,260 to maintain such a family on the so-called maintenance budget. The study recommended that that was not a continuous maintenance budget and could not be maintained over great lengths of time.

Since then prices have increased so that at the present time a little over \$1,700 is required to purchase what could be gotten then for \$1,260. This adjustment is for price increases only, based on ceiling prices. The Bureau of Labor Statistics acknowledges that the increase in prices alone does not fully reflect the total increase in the cost of living. These other costs do not lend themselves easily to measurement; but in view of the nature of these factors, it is conservative to say that the effect of these changes would be to bring the current cost of the maintenance budget well above \$1,800 a year, which is approximately what would be provided by \$35 a week, the amount contemplated as the maximum payment to be made in order to furnish the minimum requirements of a family of the size stated.

Let me describe the standard of living which could be provided by \$35 a week as shown by this study. It was assumed, of course, that the housewife would do all her own work, including washing, cooking, baking, and mending. She would have for food an average of 16 cents a meal per person. And remember this is at present prices. That amount would be slightly increased, based upon the increased amount of the budget and the increased cost of food. If I remember correctly, at that time the United States Army was allowing approximately 27 cents or 28 cents a day for the feeding of each soldier, when the soldiers were being fed in groups of 100 men. For the working head of the family this budget would provide 1 pound a week of meat, fish, and poultry combined—not a pound of each, but a pound of all 3 taken together, and not quite a pound a week for each of the other members of the family. Each person in the family could have 1 pound a week of tomatoes, oranges, lemons, or other citrus fruits. Each adult could have about 3 eggs a week, including those used in cooking. That is not much more than adults get in Germany today. Is that too much luxury for those who would question the amount of money involved?

So much for food. Let us now consider clothing. At the income level set forth by the Bureau of Labor Statistics at that time—and I believe the price of clothing has increased as much, if not more, than the price of food has increased—the head of the household—

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. TYDINGS. I do not wish to interrupt the Senator's line of thought. But suppose a person had saved up some money from what in many cases are the rather high wages being paid today, as compared with the wages paid 5 or 6 or 8 years ago, and suppose such person was out of employment. In that case would the unemployment relief go on just the same, notwithstanding the fact that the person was able to tide himself over the emergency?

Mr. KILGORE. Mr. President, I shall take up that question with a parallel. I say to the Senator from Maryland, a little later in my remarks.

Mr. TYDINGS. Very well; I shall wait until that time.

Mr. KILGORE. At the income level mentioned, the head of the household could buy one winter suit once every 3 years, 1 pair of pajamas once every 2 years, and one hat once every 3 years. A large part of a worker's clothing budget is spent for work clothes—overalls and shirts. He could afford only one pair of oxfords a year, because he would need at least two pairs of work shoes. The housewife's quota of clothing would be one woolen dress every 2 years, one winter coat every 3 years, and a bathrobe every 10 years. The provision for the children would be even more restricted: one suit every 2 years for a growing boy and one rayon street dress for a girl each year. Those are merely illustrations, and I do not mean to imply that that is all the clothing provided. I am taking these illustrations merely from the statistics furnished by the Department of Labor for the year 1935, and am superimposing them on the costs and wage levels set forth in the bill.

What could they get in the way of household furnishings, if that budget had to be continued over a long period of time? For all expenses in keeping a house provided with such things as blankets, furniture, carpets, brooms, etc., there would be available less than \$50 a year, less than \$1 a week. Is that too much? Is it more than our economy can bear?

Medical expenses could not exceed \$16.50 a person a year. If they did, the money would have to come out of the allowance of 16 cents for meat or out of the allowance for the suit the head of the family could buy once every three years. That \$16.50 must cover doctor's visits, obstetrical care, emergency operations, care of the teeth, hospital bills, medicines, drugs, and eyeglasses. Is that allowance too much?

Based upon the price I paid for the last pair of spectacles I bought, I could afford to buy a pair of eyeglasses once every 2 years, provided I did not have to have my eyes examined, for the cost of

the examination would add to the cost of the spectacles.

Statistics revealed by the Army physical examinations of selectees—I have heard this subject debated on this floor repeatedly—showed that a shamefully large proportion of our young men are not fit for strenuous physical exertion, because of insufficient medical care and inadequate diet. That is one of the pleas which representatives of the War Department made when they came to Congress and asked that the age limit be lowered. They referred to the tremendous percentage of inductees rejected largely because they were not fit for strenuous physical exercise, because of insufficient medical care and bad diet. Those statistics should do much to quell the fears of those who oppose the bill on the ground that under it the American people would become pampered and would degenerate into a spoiled bunch of loafers.

Living on such an income, the family would be able to squander \$1.70 a week on recreation. They could buy one daily newspaper, some cigarettes or smoking tobacco, candy, and magazines. Then 12½ cents a week per person would be left for movies and other recreation. I have yet to find in the city of Washington or in any other city I have visited a motion-picture theater selling admission tickets for as little as 12½ cents.

That is the luxurious scale of benefits to which objection is being made. I challenge any Senator to say that it is too much. I challenge any Senator to say that he would be content to provide only half of that, and that half for not more than an 18-week period. That is what the alternative proposal by the Senator from Georgia [Mr. GEORGE] provides.

In contrast with these provisions for the average American family, I should like to describe the safeguards for corporations contained in the tax laws, as recently amended. I should particularly like to address a few questions to those who profess concern lest the \$35-a-week maximum provision of the Murray-Kilgore bill for a family of four or more persons be more than this country can stand. I address these questions to them particularly because they were the most fervent proponents of the carry-back, carry-over provisions of the tax laws which I am about to describe.

I speak to them humbly, because I cannot follow the logic of those who oppose this bill which provides such luxuries as one suit of clothes every 3 years for the head of the family or one winter dress every 3 years for his wife, on the ground that it would break the financial back of the Nation. At the same time they have been willing to set aside \$28,000,000,000 of corporate taxes as a gigantic revolving fund, to be used, not to carry on the functions of the Government and pay the costs of this war, but to insure profits to corporations at the handsome levels of the base period, or as based on total investments, including loans at 8-percent profit, whichever is the handsomer.

The American Government is even obligated to pay the cost of the accountants

to find out which is more profitable to the corporation and which takes more away from the American Government. That is the effect of the carry-back, carry-over, and, shall I say, carry-out-the-wishes-of-the-corporation tax bill.

When the gigantic corporations of this country looked for a way in which to safeguard the swollen war profits against the claims of the Government to carry on the war it did not take the leaders of the opposition long to find out how to do it. They did not then count the cost to do it. They did not then count the cost to the Nation. They did not then say that \$28,000,000,000 was too much. In fact, no one even questioned the amount which was being allowed for this carry-back and carry-over. They even served it up a la mode by adding the Ruml tax-forgiveness plan.

But now, when we are deliberating the question of assuring the average American worker that his family need not starve during the period when his employer is reconverting his production to a peacetime basis, that period so munificently safeguarded for the employer by the carry-back, carry-over provisions of the tax law, while we are considering the question whether during such period the workers shall have the barest subsistence, while the corporation shall have the profits plus the subsistence, there are those who have become suddenly economy minded and fearful for the economic strength of the Nation.

Let us look briefly at the relevant figures. In 1942 the total corporate net income of the Nation was \$23,300,000,000, in 1943 it was \$25,300,000,000, and in 1944 it was \$23,500,000,000. Compare these figures with the profits in 1936 of \$7,800,000,000; in 1937 of \$7,800,000,000; 1938, \$4,100,000,000; 1939, \$7,200,000,000. During the war period corporate profits were more than three times those of the pre-war years. During 1943 and 1944 net income after taxes is estimated to be \$9,600,000,000 and \$8,500,000,000, respectively. During 1936 and 1937, both profitable years, corporate income after taxes was under \$4,000,000,000 annually. I wish to remind the Senate that those profits for 1943 and 1944 are based on calculations which exclude the effect of the extremely liberal amortization provisions enacted by Congress to encourage manufacturers to go all out on the war program, provisions affording the right to charge back the cost of all new plants the manufacturer has contributed in connection with the war effort at 20 percent a year. New plants can be amortized in 5 years, although they last 20 years. If the manufacturers sell these plants after writing them off, the money is theirs. The figures which I have just read do not include such hidden profits, nor do they include the tremendous salaries paid to the top managements of the corporations.

To protect those profits during the period of reconversion—and I speak from the corporational point of view when I say “protect”—the revenue law was amended by the inclusion of what are called the carry-over carry-back provisions.

As a result of these provisions, corporations may use years of low income to recover taxes paid during years of high income. The same liberal provision is made with respect to excess-profits taxes. These become what can be called the interim placement benefits for corporations. I think the parallel is well drawn.

As a result of those provisions the \$28,000,000,000 of taxes paid by corporations during 1943 and 1944 become subject to recall by the corporations whenever their income drops below the higher of two levels, one being average earnings during the base period, the other being a rate based on total investment. Because of these provisions there is a little string attached to the \$28,000,000,000 in corporate taxes paid during '43 and '44. This little string protects them, not only against loss, but against not having made as much profits as the very liberal tax law allows them, which is at least 8 percent on invested capital including such water as might have seeped into the stock.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. DOWNEY. I believe that the Senator is performing a very valuable service in bringing before the Senate and the American people the effect of the carry-back provisions of the Internal Revenue Act of 1942. I should like to offer one qualification to the accuracy of his statement, not as he has set it forth, but perhaps in an effort to amplify it. He has stated that \$28,000,000,000 has been set aside for a fund out of which corporations may recoup themselves in the post-war era.

Mr. KILGORE. May I interrupt the Senator at that point? I meant \$28,000,000,000 on the books; not in money, because the money has been spent.

Mr. DOWNEY. I understand that. The money has been spent and, of course, there will have to be deficit financing in order to recoup the corporations. But \$28,000,000,000 is only the sum which has accrued up to date.

Mr. KILGORE. That is correct.

Mr. DOWNEY. Before the war is over, assuming that it will end within a year or 18 months from now, undoubtedly that amount will not be \$28,000,000,000, but will be nearer \$40,000,000,000.

Mr. KILGORE. The Senator from California is undoubtedly correct. I used only the figures which had been furnished me as representing the situation up to the present date.

Mr. President, repeating what I have already said, because of the provisions to which I have referred, a little string is attached to the \$28,000,000,000 of corporation taxes which were paid during 1943 and 1944. The corporations are protected not only against loss, but against not having made as much profits as the tax law allows them, which is at least 8 percent on invested capital including, as I have said, as much water as might have seeped into the stock certificates. I wonder how much has been considered from the human standpoint, as to whether there might be a carry-back and carry-over provision.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. GEORGE. I believe that I should make a statement now, because there has been so much misapprehension about what the carry-back and carry-over provision is. I did not rise for the purpose of going into that issue; I rose to say that the Senator from West Virginia is now opposing the recommendation by the Administration to the Senate Finance Committee. The loss carry-forward and the loss carry-back provision did not originate with the chairman of the committee or any member of the committee, but had the express approval of the Secretary of the Treasury through Mr. Randolph Paul who appeared and spoke before the committee. It does not have the effect which the Senator thinks it has, and I wanted to make it clear that he is now squarely in collision with the administration itself so far as any criticism of the loss carry-forward and the loss carry-back provision of the Tax Act of 1942 is concerned.

I think the country ought to understand that fact. In the Finance Committee there was a proposal which it was wished to have considered, and this was brought forth as the joint production of the staff of internal-revenue taxation and the Treasury; it was openly advocated by the Treasury, and, upon the Treasury recommendation, it was accepted and became a part, finally, of the law.

Mr. KILGORE. I thank the Senator from Georgia for his statement.

Mr. GEORGE. I thought I should make that statement.

Mr. KILGORE. I am comparing the position taken now with the position taken then.

Mr. GEORGE. I understand what the Senator is doing, but I wanted the matter understood.

Mr. DOWNEY. Mr. President, will the Senator from West Virginia yield?

Mr. KILGORE. I yield.

Mr. DOWNEY. Perhaps the Senator is under a misapprehension as to the implication of my remarks. I am not speaking critically of the law. I am very positive in my own mind that I understand what the law means, and know what its effect will be. But I have a letter from Randolph Paul in my desk that I might read if there is any doubt about it. If the war lasts 1 year longer the corporations of this Nation will have paid income taxes and excess-profits taxes probably to the extent of about \$40,000,000,000, from which they will be enabled to draw to recoup themselves for losses and likewise for declines in earnings under certain circumstances in the 2- or 3-year period after the war and concluded. I wish to say to the distinguished Senator that—

Mr. GEORGE. Let me interrupt the Senator there.

Mr. DOWNEY. I should like to conclude. That may prove to be a very wise and salutary law; I am not criticizing the intelligence or good faith of anyone in passing it; but I would say to the distinguished Senator that I am unable to understand the viewpoint expressed on

the floor of the Senate in opposition to the expenditure of ten or twenty billion dollars to protect labor against the ravages of idleness when we are willing to earmark thirty or forty billion dollars to protect corporations against losses in the post-war era.

Mr. GEORGE. In the first place, the Senator misconceives not only the reason but the actual effect of the loss carry-back and loss carry-forward provision. I did not rise to enter into a discussion of its merits or demerits. I was simply calling attention to the fact that it was, and is, the recommendation of the administration, and if Senators want to fight against it they are privileged to do so.

All the loss carry-back provision does in the final analysis is to average the tax liability of the taxpayer for a longer period than 1 year, during a time when it is difficult to ascertain whether profits have actually been made.

I am not discussing the merits of it. I merely want to call attention to the fact, because frequently the loss carry-back provision has been accredited to me. I am not in a position to claim any credit for the loss carry-back and carry-forward provision of the act, except that, upon the Treasury recommendation and the concurrence of the Joint Committee on Internal Revenue Taxation, we accepted the provision and made it a part of the law.

Mr. DOWNEY. Mr. President, will the Senator from West Virginia yield further?

Mr. KILGORE. I yield.

Mr. DOWNEY. I certainly immediately admit the correctness of the statement made by the distinguished Senator from Georgia as to the mechanism by which the result we are talking about would be worked out. As I understand, corporations for the 2-year period after the conclusion of the war will have the right to have their income taxes figured over a 5-year period and then for the purposes of calculation will be able to compute their income taxes for the period 2 years after the war as well as the 3 years prior to that time. The result will be that the income taxes over that period will be so greatly reduced that all corporations that have sufficient earnings and have paid sufficient taxes will be recouped of all losses during that period and in many cases—

Mr. GEORGE. Oh, no; they will not be recouped for any losses. They will pay the tax which they should have paid over the lengthened period. That is the whole effect of it. But I do not care to go into a discussion of it.

Mr. DOWNEY. I should like to say further that I have on my desk a letter from Randolph Paul explaining the purpose and effect of the carry-back provisions, and I believe that I have correctly stated what he states in that letter. In my own time I shall later read that letter into the Record, but again I wish to say to the distinguished Senator nothing that I have to say is any implication of criticism. I do not mean it in that way.

Mr. KILGORE. Mr. President, may I say to the distinguished Senator from

Georgia that what I was saying was not intended as criticism of the Senator or anyone else connected with the committee. It was merely being used to illustrate a change of policy, possibly, shall we say?

It has been frequently reiterated on the floor of this Chamber that the effect of pay interim placement benefits sufficient for a decent existence would tend to retard conversion and a return to normal conditions, the inference being that all the workers of America are so lazy that they would not go back to work. In this connection let us consider the huge profits made by corporations and the opportunity for profits which they have. I should like to bring a few specific cases to the attention of the Senate. We have heard a great deal about how much the worker has made: Let us consider how much others have made by way of savings and why they need the carry-back carry-over provisions of the law.

Mr. President, I ask to have printed in the Record at this point as a part of my remarks the tables to which I am about to refer.

The VICE PRESIDENT. Without objection, is so ordered.

The tables referred to are as follows:

GENERAL MOTORS

	Gross profits	Normal profits tax	Excess profits tax	Net profits
1936...	\$297,397,775	\$43,607,627	-----	\$253,790,148
1937...	255,153,330	49,107,135	-----	206,046,195
1938...	133,992,679	28,000,334	-----	105,992,345
1939...	236,432,667	44,852,190	-----	191,580,477
1940...	325,354,035	84,261,235	\$40,766,506	200,326,294
1941...	502,129,027	116,061,258	171,931,085	343,043,160
1942...	310,957,828	94,127,027	30,373,494	186,457,307
1943...	470,551,368	90,634,718	152,285,975	227,630,675

CHRYSLER

	Gross profits	Normal profits tax	Excess profits tax	Net profits
1936...	\$76,200,782	\$12,800,000	-----	\$63,400,782
1937...	63,092,212	11,000,000	-----	52,092,212
1938...	22,468,293	3,700,000	-----	18,768,293
1939...	47,850,615	8,500,000	-----	39,350,615
1940...	64,806,375	16,500,000	\$7,000,000	41,306,375
1941...	70,394,999	17,700,000	11,000,000	41,694,999
1942...	52,042,557	22,000,000	-----	30,042,557
1943...	77,180,815	21,750,000	10,800,000	44,630,815

PACKARD

	Gross profits	Normal profits tax	Excess profits tax	Net profits
1936...	\$8,377,840	\$1,300,447	-----	\$7,077,393
1937...	3,654,494	602,082	-----	3,052,412
1938...	1,603,404	20,750	-----	1,582,654
1939...	842,446	219,430	-----	623,016
1940...	1,309,630	476,815	-----	832,815
1941...	5,789,267	1,598,431	-----	4,190,836
1942...	19,875,043	2,641,474	\$7,884,020	9,349,249
1943...	26,547,008	2,331,304	20,475,500	3,640,204

JONES & LAUGHLIN

	Gross profits	Normal profits tax	Excess profits tax	Net profits
1936...	\$4,464,601	\$335,000	-----	\$4,129,601
1937...	5,613,799	825,000	-----	4,788,799
1938...	5,945,747	65,789	-----	5,879,958
1939...	3,851,561	662,617	-----	3,188,944
1940...	13,855,477	3,578,448	-----	10,277,029
1941...	20,619,593	7,619,593	\$7,600,000	15,469,933
1942...	34,629,003	6,315,213	18,170,000	10,143,690
1943...	29,966,350	6,729,122	13,725,000	9,512,228

CONTINENTAL MOTORS

	Gross profits	Normal profits tax	Excess profits tax	Net profits
1936...	\$29,244	-----	-----	-----
1937...	576,104	-----	-----	-----
1938...	25,748	-----	-----	-----
1939...	32,269	-----	-----	-----
1940...	1,271,409	\$139,000	-----	\$1,132,409
1941...	7,142,802	1,700,000	-----	5,442,802
1942...	24,432,903	2,600,000	\$15,400,000	6,432,903
1943...	28,280,847	725,000	19,327,500	8,228,347

¹ Deduct credit of \$28,506,476 for overpayment.

² Deficit.

³ Deficit due to drop in sales.

Mr. KILGORE. It will be seen that in 1936 General Motors' gross profits were \$297,397,775; their normal profits tax for that year was \$43,607,627, and their net profit was \$253,790,148.

Let us come down to 1940. In that year the gross profits of General Motors were \$325,354,035, and they paid a normal profits tax of \$34,261,235, and an excess-profits tax of \$40,766,506, but they still netted more than \$200,000,000 of profit.

In 1941 their gross profits were \$502,129,027 and their net profits \$343,043,160.

In 1943 their gross profits were \$470,551,363, and their net profits \$227,630,675. They have a carry-back and carry-over in the Treasury affecting future taxes and future losses of operation the great sum for 1943 of \$214,000,000 earmarked in the Treasury to protect them against losses in the post-war period and make them good for 2 years and they can take advantage of that.

Let us take Jones & Laughlin Steel. They were a rather small concern, a branch of a larger concern. Their profits in 1936 were \$4,464,601, and their net profits \$4,129,601.

In 1940 their profits were \$13,855,477, and their net profits \$10,277,029.

Let us go to 1942. In that year their gross profit was \$34,629,903, and, after deducting taxes, they still had a net profit of over \$10,000,000, and under the carry-back plan they could recoup, or rather replenish, their tax situation and get credits or back taxes in excess of \$40,000,000, earmarked on the books of the Treasury to take care of them.

In order to be absolutely neutral, let us take Continental Motors' figures. In 1936 they were a small concern, and made a profit of \$29,244. In 1940 their gross profits amounted to \$1,271,409. Before that they had no net profits. In 1940 they made \$1,132,409 in net profits, after the payment of all taxes and operating expenses. In 1942 they made \$24,432,903 in gross profits, and \$6,432,903 in net profits. In 1943 they made \$28,280,847 in gross profits, and \$8,228,347 in net profits, after the deduction of all taxes, surtaxes and others, and with the right of amortization of any plant in which they invested money during that period. They also have some \$35,000,000 credited on the books for the post-war period to take care of the carry-back and carry-over.

Chrysler in 1936 made profits of \$76,200,782. They made gross profits of only \$77,180,815 in 1943, and a net profit of \$44,630,815. They did not expand so much. But on the books of the Treasury they have a credit of some \$11,000,000, not including the taxes for 1944, with which they can carry back and carry over.

These are the figures on which I rely to show how in the reconversion process we have treated the corporate element, and how it is now proposed that we treat the human element. Is there any particular incentive for rapid conversion, with all those credits on the books, in the corporate element, if we are to say that the workingman will not go to work if he gets enough to live on?

If the Murray amendment to the George bill were to promise to every American worker in idleness as much as he earned during the wartime, or as much as he earned in the pre-wartime, then we would have something comparable to the corporation carry-back and carry-over provision. Then it might be argued it would be unreasonable, and it could be argued that it was most unreasonable; but that argument cannot be made by those who oppose this amendment. It cannot be said that it was reasonable for corporations, but not for the individual worker and for the returning soldier.

This amendment does not guarantee the American worker what he received during wartime. For a single worker in a war plant it provides substantially less than half his earnings, an amount barely sufficient to provide him with the necessities of life if prices remain as they now are, and there is no indication of their dropping.

It does not provide even the necessities for an extended period of unemployment. This is the measure which the framers of the carry-back-carry-over provision for corporations denounce as most extravagant. Consider the General Motors Corporation, whose profits I have just stated. It is estimated that they will have to their credit on the books of the United States Treasury at the end of 1944 a carry-back-carry-over credit of \$480,000,000. Is there any real incentive to expand and completely carry on business in view of such a condition? Shall we say to the worker, "You have some unemployment compensation funds built up in your several States. We will give you back certain parts of the taxes you paid during the lush period. We will set that up as a credit to you on the books, and if you do not make as much as you made during the pre-war period, and you do not live as well, we will give those taxes back to you, or we will give you sufficient credit on your taxes so that we will make up the difference?"

When we talk about the unemployment compensation funds taking care of this situation, there are a few figures furnished by the Social Security Board which are of great interest. If we had total unemployment in the United States, only 60.7 percent of our workers could be cared for, even with the very small payments made, out of reserves built up from unemployment compensation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. BARKLEY. I should like to have a little clearer definition of what is meant by "total unemployment." In the letter of Dr. Altmeyer to which reference was made in the debate a few days ago, the term "total unemployment" is used as the basis for certain figures. What is "total unemployment"?

Mr. KILGORE. Under the table to which I am referring, let me say, it is considered that every person covered in the bill would be unemployed in the particular State.

Mr. BARKLEY. In other words, all the millions who are covered would be unemployed?

Mr. KILGORE. Yes.

Mr. BARKLEY. That is an assumption which is, of course, fantastic on its face, and a condition, as I see it, which could not ever happen unless our total economy should collapse. I do not see how it is possible for anyone to arrive at any conclusion based on total unemployment.

Mr. KILGORE. I was using it as a base figure, not with the idea of total unemployment, but when we consider that seamen are not covered, that Federal workers are not covered, that municipal workers and State employees are not covered, there is not a very large percentage of labor covered. If the others all went to work, we might have almost total unemployment of the classes covered, if they wanted to be lazy, and if the payments did not justify them going to work. But I am not arguing that. I am mentioning it to show the comparison between the States, as another feature.

Mr. BARKLEY. I understand, but according to this table, all those covered under the State laws amount to about 30,435,000.

Mr. KILGORE. And there are 65,000,000 workers.

Mr. BARKLEY. That is true, but with total unemployment as the basis for the figures which Dr. Altmeyer furnished a few days ago in his letter, or as the basis of any other figures, it seems to me it is a false premise, because I cannot imagine everyone in the United States who is covered, either under the present laws or under any law we might enact, being unemployed. If that were so, there would not be anyone at work, and I cannot conceive of such a condition as that. Therefore, I do not think the proposed legislation would cost anything like as much as those who use total unemployment as the basis for calculation estimate.

Mr. KILGORE. I agree with the Senator. I am using this to illustrate another point. I was giving the average throughout, which would be an actuarial average. If every person insured under life-insurance policies should die today, suddenly, the average insurance company would probably be unable to pay more than 60 percent of its losses, because, based on the tables of mortality, they estimate that an insured person will live a certain length of time and that there will be so much in the way of accruals. But this is the point I was making; the figures show that, with total unemployment, the range is as low as 38½ percent of the coverage, for instance, in the State of Maryland, and 39 percent in the State of Michigan, which latter State, with its gigantic, swollen war industries, will probably be one of the greatest sufferers. Maryland and Michigan will probably be the greatest sufferers. There will be 80 percent in Alaska. There will be 71 percent in Maine, 80 percent in Montana, 86 percent in North Carolina, 77 percent in Pennsylvania, 58 percent in West Virginia, 79 percent in the State of Washington. So we are going to have to

spend a great deal more money in equalizing these funds with our so-called loans than we anticipate. That is the point I want to bring home. Let us be consistent. If we are going to take good care of corporations, and argue that every corporation will continue to operate, is there any reason to say that the American worker, who has done so good a job in this war, is going to lie down and quit 100 percent just as soon as the bill is passed?

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. KILGORE. I yield to the Senator from Pennsylvania.

Mr. DAVIS. In listening to the discussion by the able Senator from West Virginia I have been struck with the thought that he is rather pessimistic on the general subject. I think too pessimistic an attitude is being taken in the discussion when it is intimated a majority of workers will be employed. Following the last war, the largest number of unemployed in the United States, which was a year and a half after the armistice, was about 5,700,000. Of course a different situation exists now than existed then. As the Senator from West Virginia has already pointed out, there are 65,000,000 individuals employed at this time, largely in connection with the war effort, and we are furnishing war materials for our allies, and supplies for many other nations. During the last war we were servicing only a part of the world. What particularly strikes me is that so many persons believe that everyone is going to be unemployed after this war.

Mr. KILGORE. I wish to thank the able Senator from Pennsylvania for his contribution. What he has spoken of is something to which I now wish to refer. A pessimistic view has been advanced on the floor of the Senate; it has been suggested that from twenty-five to thirty million persons are deliberately going to refuse to work, or that there is not going to be any work for them to do, and that we are going to have to carry them for 2 or 3 years. I contend that, if business and Government will cooperate, and if we maintain the spending power, not a lavish spending power but a reasonable living and spending power within the hands of the consumer—because the consumer eventually pays all taxes anyway, as the Senator well knows from his experience as Secretary of Labor—we will not have this blue picture. But if we take a great number of individuals and put them on the bread lines and the apple lines by reason of inadequate benefits paid them, and if industry does not immediately cooperate, the results will be bad.

In our contract-termination legislation we provided no special incentive to industry to cooperate. Only this morning newspapers carried the statement that, due to curtailment, some 300,000 persons, as I recall, would be cut off from work in the automobile industry within the next few months; in fact, a large cut-off was being made, I believe this week, in certain plants. If that takes

place, but if at the same time means are provided to maintain buying power for the necessities of life within the hands of the American worker—not buying power such as may be provided in one State of the Union where the payment to an individual of 50 cents a week is considered to be unemployment compensation; not buying power of that kind but buying power sufficient to support a family and enable a person to go through the period of unemployment—and if we encourage our industry to get under way and keep trade going, then there is no reason for pessimism.

I am not pessimistic, although, of course, there will be some unemployment. Let us get down to the crux of the situation, I suggest to the Senator from Pennsylvania; the post-war wage and living scale is the crux of all the argument. Let us get down to that one point.

Mr. DAVIS. What particularly struck me was the statement made by the distinguished Senator from West Virginia about the General Motors Corporation having \$450,000,000 in reserve. What is that compared to the capitalization of General Motors Corporation? I have forgotten what its capitalization is, but I think the capital structure of that corporation runs into a billion dollars or more.

Mr. KILGORE. I do not know. Before the war it was \$600,000,000.

Mr. DAVIS. That is little enough for so tremendous a corporation to carry on with after the war.

Mr. KILGORE. Plus the reserves. I was discussing the carry-back carry-over feature. I feel that the Senate would do well to consider this over-all problem, not on the theory that John Jones is going to come back and refuse to work, but on the theory that John Jones wants relief until he does obtain work, and he does not want it in the bread line, and he does not want to have to wait 2 or 3 weeks, as is required in some States, because he does not have the money to carry him over. I think we must consider the question along that line, and look at this bill as a real bill properly to take care of the unemployed.

Back in the early days after the last war, when the first slump hit us, as the able Senator from Pennsylvania will remember, there was an expression to the effect that if we got money up to the top it would trickle down. We also tried that with respect to R. F. C. in its earliest stages. We put millions of dollars into railroads so they could pay off bonds due to J. P. Morgan. If we try to adopt such a system of putting the money at the top so it may trickle down, we will find it will not work. We will find as we always do, that the spending of money comes from the consumer, from the grass roots.

Mr. DAVIS. The money, however, must come from those who actually work, and not from those who are idle. We have had a great deal of experience with the spending program. We have found that such a program did not bring about prosperity. Men must have

jobs and work in order to supply the money that is needed. The essential thing is that men be given employment. That is what we ought to talk about.

Mr. KILGORE. That is what we ought to talk about, but we have to keep them living until the industrial plants are converted. A plant cannot be converted overnight. It takes from 3 to 6 months to convert a plant, and the purpose of the bill is to provide for the interim.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. KILGORE. I was about to yield the floor. Does the Senator wish to have the floor?

Mr. TYDINGS. No; I wish to reiterate my question of some time ago. If a man has \$800 saved up in bank, for example, would he get unemployment compensation the same as a man who has nothing?

Mr. KILGORE. I may reply to the Senator from Maryland by saying that now, under the Maryland law, such an individual receives unemployment compensation. If he has \$10,000 in the bank he still draws unemployment compensation, because the fund from which he draws it is a fund which has been built up to pay him unemployment compensation.

Mr. TYDINGS. I did not ask the Senator from West Virginia about the Maryland law. I am familiar with the Maryland law. But I should like to ask the Senator whether under his bill an individual would receive compensation of \$35 a week, even if he had ample funds in bank.

Mr. KILGORE. Certainly, if he were unemployed and could not be employed.

Mr. TYDINGS. How long could he receive unemployment compensation under the Senator's bill even if he had funds in bank?

Mr. KILGORE. Even if he had funds in bank he could receive unemployment compensation for 2 years.

Mr. TYDINGS. And that would be regardless of whether he had \$200 or \$5,000 in bank?

Mr. KILGORE. Or had nothing, and most of them have nothing.

Mr. TYDINGS. Then, the bill is not built on the theory that the individual is unemployed and cannot get a job and has no income?

Mr. KILGORE. The bill is built not on the theory of relief, which is the Senator's theory, that is that a man would have to exhaust all his resources, even sell his home, before he could receive a cent to live on. No; it is built on the theory of unemployment compensation.

Mr. TYDINGS. Assuming that the period of the depression visualized lasts for 2 years, what would be the Senator's estimate of the total cost to the Government, maximum and minimum? I ask only for an estimate.

Mr. KILGORE. Is the Senator from Maryland taking into consideration as a basis for that question his belief that the plants of the United States are going to shut down for 2 years and make no attempt at reconversion?

Mr. TYDINGS. That would be the darkest view.

Mr. KILGORE. Let me say to the Senator from Maryland that if that happens, without the bill we shall have no Nation. With the bill, of course, our credit will be sadly impaired; but the Senator realizes, and I realize, that if we should have a depression of 2 years' duration, with every plant in the Nation shut down, we would have no Government in Washington.

Mr. TYDINGS. Of course, I realize that that is not going to happen; but what my question is intended to obtain from the Senator is his opinion as to how much this bill is likely to cost in 2 years?

Mr. KILGORE. I should say that it would not cost any more than the \$28,000,000,000 which it would cost to take care of the corporations, if the same conditions should apply.

Mr. TYDINGS. Then, am I safe in assuming that the Senator feels that in 2 years the cost may be \$28,000,000,000?

Mr. KILGORE. I should say "No." I have not the figures. In my gloomiest moments I cannot conceive of American workers, American industry, and American Government permitting a condition like that to exist for a period longer than 90 days.

Mr. TYDINGS. Let me ask the Senator what he assumes it is likely to cost. Of course it is only an estimate.

Mr. KILGORE. Such judgments are all estimates. Estimates as high as \$24,000,000,000 have been made. Estimates considerably less than that have been made by the Social Security Board. I do not have them before me, but I will gladly furnish them to the Senator.

Mr. TYDINGS. Does the Senator feel that as we visualize and try to estimate the future, as much as \$20,000,000,000 may be necessary in 2 years?

Mr. KILGORE. Not even according to the most pessimistic estimates of the social-security agency could we anticipate such a cost.

Mr. TYDINGS. What was the answer?

Mr. KILGORE. I say, not even according to the most pessimistic estimates of the social-security agency.

Mr. TYDINGS. What is the most pessimistic estimate, in dollars?

Mr. KILGORE. I do not remember. I believe the Senator from Georgia [Mr. GEORGE] read those figures to us a short time ago. I think those estimates contemplate \$6,000,000,000 the first year after the collapse of Germany, approximately double that sum the year following the collapse of Japan, and then a tapering off, as fast as we can convert.

Mr. TYDINGS. The Senator visualizes that in a period of depression, when his bill would come into play, even though men had money, they would be entitled to the relief provided by the bill. That would not apply to the farmer, would it?

Mr. KILGORE. No; because we gave the farmer floor prices for his products, to hold good for 2 years. The main asset the farmer has in the bill, as was well expressed to me by some farm leaders the other day, is the continued

buying ability of 100 percent of the American people, which will maintain the farmer's floor prices and give him the relief which he seeks.

Mr. TYDINGS. But under the terms of the bill the farmer would receive no weekly or monthly benefits directly, would he?

Mr. KILGORE. No, because he is self-employed. It must also be remembered that he is largely self-sustaining by reason of the produce of his farm. His cash expenditures are not so great as those of the industrial worker, who must buy everything he eats, wears, and burns, and who usually pays rent for the roof under which he sleeps.

Mr. TYDINGS. What other classes would be left out of the bill besides the farmer?

Mr. KILGORE. Domestic servants, employees of clubs, canteens, and so forth. All types of self-employed people are left out. I believe all others are included.

Mr. TYDINGS. Is it contemplated that any of the money derived from any of the Defense bond issues will be available to pay these benefits?

Mr. KILGORE. No. The money would be appropriated from such money as might be in the Treasury. We have had to borrow money in the past to take care of such situations, and we shall have to borrow it in the future. When the Senator speaks of the savings of the average worker, does he realize that, according to statements made to me by bankers, the only savings which the worker has are what he has tied up in bonds? He is going to sell those bonds. After the last war I was with troops, and I well remember when the agents of banking companies were buying bonds from soldiers at 60 cents on the dollar. The situation became so bad at that time that the War Department issued an order forbidding an officer of the Army to buy a bond from an enlisted man. The Senator well remembers that situation. The bonds will be sold, which means that under the present law they will have to be redeemed by the Treasury, and a new bond issue will have to be floated.

Mr. TYDINGS. The Senator from Maryland knows about that. He was a soldier, and had some bonds. He sold them for less than par. The Senator is not telling me anything new, but that is not what we are talking about. What I should like to know specifically is where the money is coming from, and how the Government is to raise the money to finance a \$10,000,000,000 or \$12,000,000,000 unemployment compensation act. For the moment I am not taking any position of opposition to the bill. I merely wish to know where the money is to come from.

Mr. KILGORE. In all probability it will come from the same place as the money which will be necessary to carry on the Government and various other activities during the carry-back or carry-over period, when we take care of the corporations.

Mr. TYDINGS. Let us leave the corporations out.

Mr. KILGORE. That is just the trouble—

Mr. TYDINGS. The money which the corporations are receiving is not taken directly out of the Treasury, as I understand. In this case the money would be taken directly out of the Treasury. Therefore, it must be put into the Treasury in some way before it can be taken out.

Mr. KILGORE. That is correct.

Mr. TYDINGS. What I wish to know is, how are we to get it into the Treasury? Is it there now?

Mr. KILGORE. No. I think the answer to that question is obvious, as the Senator well knows.

Mr. TYDINGS. I should like to know how the Senator thinks we are to raise the money. Shall we vote a bond issue for unemployment relief? How shall we raise the \$12,000,000,000 which we are to use for this purpose?

Mr. KILGORE. We shall raise it in exactly the same way that we are going to raise the money to take care of contract termination and various other things.

Mr. TYDINGS. How is that?

Mr. KILGORE. We shall have to raise as much as we can by taxation, and we shall have to borrow the remainder. That is a part of the war. It is the convalescent period of the war.

Mr. TYDINGS. Is it proposed to levy new taxes as a means of raising the money to finance this operation?

Mr. KILGORE. I believe the Senator knows that we have scraped the bin so far as new taxes are concerned; but there may be a few more that we could devise.

Mr. TYDINGS. Let me say to the Senator that my concern is not the result of callousness to unemployment. I have no desire to have people who are out of work go hungry, lose their homes, or fail to provide for their families. I am just as keenly interested in that problem as is anyone else. But with the debt approaching \$300,000,000,000, and without the funds in the Treasury, I am concerned over whether it is proposed to superimpose on the war debt further debts in the post-war period. I ask that question very deliberately, and in no contentious spirit. Many finely devised plans for the benefit of humanity may be pricked by the pin of reality, and in the end we may bring down on the shoulders of the country a depression which a little sounder approach to our fiscal problems as we go along might avert. In that contingency the working man might be better off if we were to make a little more realistic approach to the question of how we are to pay for this operation, rather than merely to pass a bill appropriating money, when there is not a nickel in the Treasury to finance the bill at the time we pass it.

If we keep on, as Italy did for 44 of her 66 years of modern existence up to 1925—financing her government on deficits—and as Germany has done ever since 1898, and as most of the other countries of Europe that are going bankrupt have done, even a rich country like the United States of America may some day find that all the fine, humanitarian programs which it has worked out without thought of how they are to be paid for or their ultimate ramifications on the business

life of the Nation may do the working-man more immediate harm than a sounder and more realistic approach would do. Obviously, in a period of re-conversion there is bound to be some unemployment, and a sound and humanitarian government should not be callous to that. But if a man has \$1,000 in bank, I wonder whether the national debt should be run up still further, if he is unemployed for only a short period of time.

Mr. KILGORE. How is it possible to distinguish between taking care of a man in a situation such as that and taking care of persons with little or no savings, unless the matter is put on a strictly relief basis? The Senator must realize that the measure under discussion contemplates the use of some \$6,000,000,000 of funds already built up, and which will increase, now in the possession of the Federal Government, for the use of the States, and such amounts from the Federal Government as may be necessary to bring that amount sufficient to provide for a standard level. Of course, if we are to be realistic, if we are to ask a man to live on unemployment compensation payments of \$10 a week, we must get the cost of farm products and clothing and manufactured products and the salaries of everyone down to the basis of \$10 a week.

Mr. TYDINGS. Mr. President, I ask the Senator to wait for a moment. The Senator oversimplifies the thing, let me interject. We will get farm produce down to where it will not be worth anything, unless the financial structure of the United States Government is kept, at some time, on a sound, honest, and businesslike basis; for in the end a continuation of a policy of borrow and spend, in the face of a debt of \$300,000,000,000, will not only drive down the prices of farm produce but will demoralize, paralyze, and set at naught the whole economic machinery of the Nation.

If we are prepared to tax to put our financial structure on a sound and pay-as-you-go basis at some reasonable time in the post-war period, that is one thing. But I have been a Member of the Senate since 1926, and every year since 1929 the Federal Government has spent more than it has taken in, until we are reaching the point where the national debt now is the equivalent of \$8,500 against every family in America, rich or poor, high or low, black or white. Forsooth, what good does it do a man to give him a dollar in this hand, if eventually that dollar is to be no good or is to be completely taken from him to meet the needs of the Government of the United States?

Mr. KILGORE. Mr. President, I realize the force of what the Senator has said. But the Senator must also realize that there must be a transition period.

Mr. TYDINGS. I agree with that statement.

Mr. KILGORE. Provision must be made for the transition period, unless we are to become a dictatorship—which God forbid.

Mr. TYDINGS. Let us be a little realistic, too. Suppose in peacetime a man was earning \$35 or \$40 a week, let us

say, by way of illustration, and suppose in wartime the same man earned \$70 or \$80 a week. Of course, there has been an increase in the cost of living—let us concede that—but the increase in the cost of living—although not in all cases or on the average; I concede that for the sake of this discussion—has not been as much as the increase in the wage scale. In that event these men have been able to save some money.

I do not think we should lose sight of the fact that if a man is unemployed for a relatively short period of time, and is fairly well fixed—if there are such persons—it is highly doubtful whether he should be promised unemployment relief for a period of 2 years, merely because in some cases other men are unable to provide for themselves and their families out of the emergent, all-time-high wages which have been paid.

Mr. KILGORE. Is it the Senator's contention that a man who has been able to save money during a period of high wages should be penalized, as against a man who "blew" all his earnings?

Mr. TYDINGS. No; it is not.

Mr. KILGORE. Or is it the Senator's contention that a man who has been able to accumulate savings should be penalized as against an unfortunate fellow who could not get any place to live without paying extortionate prices?

Mr. TYDINGS. Does the Senator mean, in asking me that question, that people who made big money and spent it all, knowing that this period of re-conversion would come, knowing that it is talked about by the whole Nation, are entitled to largess in the way of Federal grants? I should like to have an answer to that question.

Mr. KILGORE. No. But what is the Senator going to do—take them out and hang them?

Mr. TYDINGS. No; I am not going to take them out and hang them; but I am not going to penalize forever and forever the thrifty workingmen who did lay something by.

Mr. KILGORE. Very well. Then what is the Senator going to do?

Mr. TYDINGS. I am going to read a brief editorial appearing in this morning's Daily News, published in Washington. It is entitled "Another Little Billion Never Did Any Harm":

The Senate is engaged in what may turn out eventually to have been a historic debate—very.

If you find a few years hence that a dollar bill won't buy what it does today—which sometimes seems little enough—you might want to remember this Senate debate. Or you might give some thought right now to the economic miseries of China, where money is in the throes of a printing-press inflation. But that can't happen here, of course. No?

The bill before the Senate has to do with post-war reconversion of industry. The real bone of contention is title III, which deals with unemployment compensation and with the retraining and reemployment of war workers, soldiers, and sailors. Specifically, title III would provide for a dole of up to \$35 a week for the unemployed—indeinitely, or at least for the 2-year duration of the proposed statute—and for free vocational training for "any person" when the work administrator "deems it necessary."

Senator REVERCOMB, of West Virginia, says the unemployment-compensation proposal might cost nearly \$25,000,000,000 a year. Others make lesser estimates, but not little ones.

That is the reason why I asked the Senator, as one of the authors of the bill, what he thought it would cost.

I read further from the editorial:

Well, it's a rich country. Sure. But wait until the boys come home and find that in many cases unemployed ex-servicemen are drawing a smaller dole than unemployed welders. Then you'll see a bonus bill, and it won't be for peanuts. And it will be passed.

And watch the old folks. Senator WILEY, for instance, interrupted the debate to ask if the bill gave any "relief to the aged."

They might be broke, and not be able to buy from the farmers, let me interject, in which case, if all the aged stopped buying, there would be a decrease in the value of farm produce, to use the Senator's own argument, therefore, if we wish to keep up the price of farm produce, in the pending bill we should make some provision for the aged. God knows, if they are so old that they are unable to stand the physical strain of working, I think they are more entitled to our consideration than are almost any other group, because the spirit might be willing, but the flesh be too weak.

I read further from the editorial:

It was explained to him that this was an unemployment measure, without relation to age, but Mr. REVERCOMB said he took it that "other legislation will deal with that." You can see old Dr. Townsend and the others licking their chops.

We don't like the role of alarmist. But we are alarmed.

No currency, even of the richest country in the world, can maintain stability forever, or even a semblance of stability on a steady diet of deficit financing, no matter what we may be told to the contrary by economists of the it's-all-done-with-mirrors school.

The editorial has seemed to me to have a good foundation in old-fashioned American common horse sense, and that is why I asked the Senator where we were to obtain the money, as well as the other questions which I addressed to him.

Mr. KILGORE. I assume the Senator agrees that the editorial is not entirely accurate. I wonder if the Senator realizes that the editorial, in one way, is false. I think it should be pointed out for the benefit of the RECORD that in the bill under discussion it is not contemplated that the veteran shall receive the minimum payments at all times. He shall receive those in the highest brackets at all times.

Mr. TYDINGS. Is it not possible under the bill for some veteran to receive less than some unemployed worker?

Mr. KILGORE. No.

Mr. TYDINGS. What is the minimum which he would receive?

Mr. KILGORE. He would receive the maximum in all categories.

Mr. TYDINGS. How much would that be?

Mr. KILGORE. It would be \$20, \$25, \$30, and \$35, depending on the number of dependents.

Mr. TYDINGS. Suppose there is one man in the family who is working and two members of the family who are not working. Suppose that in another family there are only two members and both of them are not working. What would happen then? The family with a partial income would receive the same amount of money that a family with no income at all would receive. Is that correct?

Mr. KILGORE. Yes; but the latter family would have more mouths to feed.

Mr. TYDINGS. The point I make is that three persons constitute the family.

Mr. KILGORE. And all have worked in the past.

Mr. TYDINGS. Yes; all of them have worked in the past. Now, let us assume that the family next door consists of two members and that neither of them is working. Both families would receive unemployment payments from the Government, but one family would have a partial income of at least \$40 a week from the working member of the family.

Mr. KILGORE. Yes.

Mr. TYDINGS. Has the Senator been alarmed at all by the fact that all those payments will have to be supplied by new borrowings by the Government, either in the form of a bond issue or the flotation of short-term notes or something of that kind?

Mr. KILGORE. No; because—and the Senator may laugh if he wishes to—it must be realized that if conditions are changed so that it becomes necessary to purchase distress food and supplies, and we proceed according to the theory of the Senator from Maryland for a long-sustained period, under the terms of the George bill or any bill, we shall eventually have people on relief.

Mr. TYDINGS. What will they be on when they are given \$35 a week for 2 years?

Mr. KILGORE. Will the Senator from Maryland allow me to finish?

Mr. TYDINGS. Very well.

Mr. KILGORE. The people will be on relief. It has not been contemplated by the authors of the amendment that industry will not cooperate with the markets which are available. It is thought that with the proper incentive industry will cooperate, but we have done nothing so far under bills which we have already passed to induce the cooperation of industry. We have made arrangements to pay off industry in cash. In the Contract Termination Act we have even excluded the right of the Government to prosecute for gross negligence on the part of Government officials with regard to settling claims against the Government. So we have held forth no particular incentive to the reconversion of industry. We believe that if sustained buying power will offer such incentive, it is necessary to have it if it will get industry back to work in this country in the shortest possible time. That time can be spread over 12 months, or possibly from 3 to 6 months. But it has to be done, or the country will go bankrupt.

Mr. TYDINGS. May I ask the Senator if he believes that after the 2-year period has elapsed all those who are now employed will be reemployed?

Mr. KILGORE. I believe that there will be complete reemployment before the end of the 2-year period. Probably it will be brought about during a short period of time. It will be a sliding proposition. The group which is unemployed this month will be employed within 3 or 4 or 5 months at the most.

Mr. TYDINGS. The Senator has missed my question. We all concede there will be some unemployment.

Mr. KILGORE. Certainly.

Mr. TYDINGS. We all concede that in a certain period of time much of the unemployment will have been absorbed by the reconversion program.

Mr. KILGORE. Yes.

Mr. TYDINGS. My statement was—and I believe the Senator will agree with me—that many of those who are unemployed in the immediate post-war period will still be unemployed, or on a partial work basis, at the end of 2 years following the end of the war.

Mr. KILGORE. No; I do not believe that.

Mr. TYDINGS. Does the Senator believe that all the great mass of workers will be totally reemployed within 2 years following the end of the war?

Mr. KILGORE. Yes.

Mr. TYDINGS. If we are to return to a \$100,000,000,000 annual business in this country, relying on home consumption for 95 percent of it, and with little world trade—

Mr. KILGORE. In what years did we do that much business?

Mr. TYDINGS. I say, if we are to return to it. At one time we did a \$70,000,000,000 annual business and, as the Senator well remembers, we had 5,000,000 unemployed at that time.

Mr. KILGORE. That is correct. If we return to a \$100,000,000,000 business, under the estimates furnished we are bound to have many unemployed persons in the country, who will become a burden on the taxpayers. And who are the taxpayers? They are the consumers. The Senator has practiced corporation law long enough to know that taxes and all related matters are considered in the cost of operation. So the consumers are the taxpayers. But, if we can—and we should be able to do so with the help of business from foreign countries in which industry has been wrecked—we should place ourselves in a position to go into a higher bracket of total business. Of course, if we adopt the idea that we are to have 5,000,000, 10,000,000, or even 15,000,000 unemployed all the time, we will have them. But, if we do not adopt such an idea and go out after world markets, as did Pitt in the days of the Napoleonic wars, we will not have a large number of unemployed persons in this country. We will have all our employables employed, as did England.

Mr. TYDINGS. The Senator said, when I rose to address him, that he was yielding the floor. I do not wish to ask him any further questions, but I should like to speak for about 5 minutes.

Mr. KILGORE. I yield the floor to the Senator from Maryland.

Mr. AUSTIN addressed the Chair.

The VICE PRESIDENT. The Senator from Vermont has been standing for some time.

Mr. TYDINGS. I yield to the Senator from Vermont.

Mr. AUSTIN. Mr. President, I have been very much interested in the questions asked by the Senator from Maryland. The parliamentary procedure may not have been correct, or well observed by a Senator who has been a Member of the Senate for a long time, but the effectiveness of his argument on the right side of the question assuaged my feelings regarding the cut-in. If I may have the floor within 5 minutes I shall appreciate the courtesy. I think I am entitled to it under all the circumstances.

Mr. TYDINGS. I think the Senator from Vermont was well within the customary courtesy of the Senate, and I have no disposition to inject myself ahead of his request except for the fact that the debate between the Senator from West Virginia and myself has left some loose ends which, for about 5 minutes, I should like to try to tie up rather than leave in the air. Only for that reason was I anxious to elaborate what I was saying.

Mr. AUSTIN. I thank the Senator from Maryland. I shall be very much interested in hearing his remarks. I think that now is the proper time for him to make them.

Mr. TYDINGS. I thank the Senator. I shall not take very long.

Mr. President, no sensible or sane man could help realizing the tremendous problem confronting the Nation in converting from a wartime to a peacetime economy. No one would for a moment want to withhold his support to any sound reasonable program which would tide over the workingman, who in most cases has done a fine job, until reconversion is a fait accompli.

I do not rise to oppose, in principle, unemployment compensation or payments; I rise to oppose the lackadaisical inconsidered, visionary, and rather and unthought-through aspect of this whole program. It occurs to me that Members of this body have not yet remotely visualized what a national debt of \$300,000,000,000 will mean when the impulse of patriotism and sacrifice and wartime give and take are diminished if not altogether nonexistent in the post-war period. People will sacrifice and bear any hardship while men are dying on the battlefield, but when the war is over they will want to go back to something like a more or less liberal—and I used the word "liberal" in its proper sense—aspect of government, rather than to live under the regimentation and direction which wartime makes necessary.

Here is our Government with a \$300,000,000,000 debt, by the time we take up the loose ends, provide for relief here and there, conclude war contracts, and what not, and that is roughly a debt of about \$8,500, on the average, against every family in America. That was a part of the war; that was understandable. There was waste; there was inefficiency perhaps, here and there; but it was a big

undertaking; it had to be done; and it was done as quickly as perhaps it could be done.

Now that the war is coming to an end, are we, even before the last shot is fired, going to continue down the road to a \$400,000,000,000 national debt, and do it under the guise of giving the hand of help to the farmer or the workman or anybody else in this Republic? What we are doing is simply burying a cannon in a bouquet of orchids—and a loaded cannon at that—for the workingman will be permanently out of work unless agriculture and industry can live, and, of course, conversely, industry and agriculture will be out of business unless the workingman can live.

So the problem of Congress as we come to the post-war period is to determine sooner or later whether in the post-war period we are going to proceed on a pay-as-you-go basis or whether we are going to start the printing presses, because from \$15,000,000,000 to \$20,000,000,000 of bond issues cannot be sold in a post-war period in a country that already has a \$300,000,000,000 national debt, and, if that cannot be done, resort can be had to the Federal Reserve, which is only a genteel way and an obscure way of printing money, just as other countries have done.

What concerns me is that no one has seemed to stress the fact at any length that none of the funds which are going to be dealt out are in hand. It is said that we will not have a new bond issue to raise the money. There is vague talk about new taxes, which every man in his right mind knows are not going to be enacted into law. There is vague talk of such things while 10,000,000 men, while I am standing here, are on the battlefield, some of them dying and all of them offering to die, but those who survive entertaining the thought and the hope that they are coming back to a solvent United States of America, the land of opportunity, the land of sound and sane government.

I was interested in reading not long ago the modern history of Italy. In the 66 years of its existence up to 1925, for 45 years the Italian Government was operated by deficit financing. Finally the evil day was put off until it could no longer be put off, and taxation had to be levied. The Italian people then awakened to the sad fact that, in proportion to their income, they were the most heavily taxed nation on the face of the earth. In a move to resist taxes, communism sprang up; business organized into a separate group, and out of that situation Benito Mussolini walked onto the stage of Italy. Whatever benefits were temporarily gained by deficit financing in Italy, which more than any other one thing brought Mussolini to power, were lost a thousand-million-fold by the blood and the tears and the sacrifices and the squandering of wealth which was the last chapter of the sad story of modern Italy. The same thing is true of Germany, but I shall not go into the details.

Now this country, which prior to a few years ago never knew of a national debt

of more than \$25,000,000,000, has already reached the point of having a national debt of nearly \$300,000,000,000, and already where one spigot was running other augers are boring into the barrel of our national wealth still further to drain it out faster and faster.

I do not know how many of us will be here during the next 6 years, but mark this prophecy and mark it well: By continued deficit spending, carried over to a long period of time in the post-war period, we are laying the foundation for a depression which could conceivably make 1929 to 1934 look like Coolidge prosperity. We have either got to pay back the money which the Nation owes or stabilize and keep the debt in good standing or repudiate it.

Then, too, we are forgetful that this will be an impoverished and ruined world. England, Germany, France, and many other countries will have not only tremendous reconstruction problems, but they will not have the basic financial wealth on which to resuscitate and rehabilitate their post-war economies. Therefore, we cannot hope to enjoy the wide measure of trade and get all the markets we hear described without providing some way by which the people of other nations may buy, either by credit or by lowering our tariffs so far that they may sell their goods in our own markets.

I shall not enter into an extensive discussion of the post-war economics which are right at our doorstep, except to sound a note of warning. I say unemployment benefits in the post-war period for the worker can be justified as sound and proper, and I shall support any good bill that will accomplish that result. But largess, taking billions and billions and billions of dollars more of money that we have not, is nothing but sheer demagoguery, and I say that with no spirit of personal offense to anyone. It is leading people to believe we are doing something for them, which we are doing temporarily but which in the end will take from them many times the immediate benefits provided by any law which is to be administered on deficit financing.

So, Mr. President, my plea here today, in a word, is simply that the time has come, if we are to keep faith with all the elements which have served in this hour of danger, for Congress to provide so that from now on, in the post-war period, certainly within a year after the war is over, we shall appropriate no money that we have not or are not willing to raise by additional taxation. We are reaching the danger point, and bills which do not envisage that fact are only deceiving the people and threatening to wreak great harm on the great masses of the workers of the Nation.

Mr. CAPPER. Mr. President, I cannot support the so-called Kilgore-Murray bill, offered as an amendment to the so-called George bill. More than that, if the measure should become law, I do not see how the country could support the costs of such legislation.

What the people of the United States want and need when the war is over is the opportunity to work, either as employees or for themselves.

It seems to me the philosophy of this proposal is not so much to provide employment as to encourage unemployment.

But, above and beyond the staggering sums proposed to be expended, there are other features of the measure which I cannot approve. As originally drawn—and I doubt if the amendments offered by the Senator from Montana [Mr. MURRAY] cure the evil—the measure would replace the State systems of unemployment compensation with a Federal system of supporting—in some cases, I fear, encouraging—unemployment at Government expense.

Moreover, it seems to me that the charge made by Mr. Ed A. O'Neal, head of the American Farm Bureau Federation, that the measure would create a new bureau with dictatorial powers, has considerable justification.

The objectives named in the Kilgore-Murray measure are broad and sweeping. The powers proposed in order to attain those objectives are even more broad and sweeping. The bill is a dangerous bill, as Mr. O'Neal says. What powers the Work Administrator would have to set aside any Government program conflicting, in his view, with the objectives he would be instructed to attain, no one can be sure.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the letter from Mr. O'Neal, president of the American Farm Bureau Federation, stating why American agriculture is opposed to the Kilgore-Murray proposal.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., August 9, 1944.

HON. ARTHUR CAPPER,
United States Senate,
Washington, D. C.

MY DEAR SENATOR CAPPER: The American Farm Bureau Federation recognizes the importance of the enactment of appropriate legislation at an early date to cope with the difficult, complex problems of reconversion and post-war readjustments.

We are strongly opposed to the proposed legislation contained in the Murray-Kilgore bill (S. 2061), which is now before the Senate as amendments to S. 2051. The Murray-Kilgore bill would create another Federal bureaucracy with virtually dictatorial powers.

Acting under a broad mandate to develop "unified plans and projects and adequate machinery" to achieve such sweeping, far-reaching objectives as "full employment," "rising standards of living," and "effective utilization of the Nation's resources," the Director is empowered to issue directives on policies, plans, and operations to other Government agencies as may be necessary to carry out these objectives; and he is given authority to direct any Government agencies to rescind, modify, or amend any rule, regulation, or order whenever he determines it "prevents or hinders full employment and is not required for the purpose of insuring production for war purposes." These objectives and powers are so broad that they could be construed to cover almost any type of national program. Conceivably, the Director could suspend or modify any phase of national agricultural programs, including support price guaranties, despite existing statutory provisions.

We believe that such vast delegation of power in one man is not only unnecessary, but extremely dangerous to the preservation of our democratic form of government.

The position of the federation with respect to the handling of reconversion problems is set forth in the following resolution, adopted by our board of directors at its meeting on March 3, 1944:

"We commend both the Baruch-Hancock report and the report of the George committee for taking progressive steps on a definite post-war demobilization plan.

"We favor the broad principles set forth in the George-Murray bill, S. 1730. However, in the interest of democratic procedure, we believe that the proposed national demobilization board should constitute the policy-determining body, over rather than under, the director, and should therefore be appointed by the President and confirmed by the Senate. Further, we believe that representatives of agriculture, industry, and labor should be included in the membership of this board.

"In view of the certainty that the food emergency will continue after the end of the war, we vigorously recommend that farmers be given priority in obtaining surplus materials and equipment needed for production as long as the necessity for abnormal food production continues.

"We also believe that the disposal of surplus agricultural products should be assigned by the board to the War Food Administrator; and that the disposal of any manufactured goods, housing, equipment, etc., which can be used advantageously by farmers, be handled in such a way as to assure farmers of equal opportunity with others to purchase such materials."

We therefore urge your opposition to the Murray-Kilgore bill, and your support of the principles contained in the George bill (S. 1730) for reconversion, but with the following proposed amendments, which we strongly support:

That a national bipartisan demobilization board of seven members, including representatives of agriculture, labor, and industry, appointed by the President and confirmed by the Senate, be created; this board to be a policy-determining board to formulate policies and to guide programs for reconversion, and to be over the director, instead of an advisory board to the director;

That the disposal of surplus agricultural products be assigned to the War Food Administrator, and to be handled so as to prevent such surpluses from breaking the prices for agricultural products;

That farmers and farmers' cooperative associations be given priority in obtaining surplus materials and equipment needed for production; and that they be given equal opportunity with others in the purchases of other surplus war materials which can be used advantageously by farmers; and

That original owners of surplus Government farm land be given first opportunity to repurchase such land, at the original sales price, adjusted for damage or improvements.

Hoping that these recommendations will meet with your approval, I am,

Sincerely yours,

EDW. A. O'NEAL,
President.

Mr. AUSTIN obtained the floor.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Does the Senator from Vermont yield to the Senator from Kentucky?

Mr. AUSTIN. I yield.

Mr. BARKLEY. I wish to renew my effort to secure an order for limitation of

debate during the further consideration of the pending measure, and to that end I ask unanimous consent that during the further consideration of the bill no Senator shall speak more than once or longer than 30 minutes on the bill or any amendment thereto or substitute therefor, or any motion connected therewith.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. AUSTIN. What is the length of time?

The PRESIDING OFFICER. Thirty minutes on the bill and any amendment.

Mr. AUSTIN. I have no objection.

The PRESIDING OFFICER. Without objection, the request is agreed to.

Mr. AUSTIN. Mr. President, I support the George amendment. I do so partly because it represents the views of experts on the two very important subjects which confront the Nation, namely, the prosecution of the war to a speedy victory, and conversion to peace, which goes on all the time, and which will have a sudden access of speed when hostilities cease in Europe. The experts include the Baruch and Hancock committees who made reports, and witnesses who appeared before the George committee and covered all phases of this problem, and, finally, we have the composite judgment of the George committee. Having looked things squarely in the face, the committee, regardless of party alignment in the Senate, made a report on this subject, and the George bill conforms to that report.

Mr. President, I would not take the time of the Senate to make any remarks in a debate which is nearly closing, and which has so fully covered this subject, were it not that I wished to impress certain ideas of difference between the George version of the way to handle these two problems and the Kilgore-Murray version. What I am going to try to do is to point out reasons which should appeal to every Senator why the George amendment should be chosen as against the Kilgore-Murray version of the method of prosecuting the war and of the method of conversion to peace.

I deal with these two subjects with more emphasis in my own mind than I do with the subject of title III, which relates to social security, because I think that we must take first steps first, and the first problem before the United Nations is the problem of speeding up the winning of the war. We must not let down our soldiers at the front. We must not enact legislation which will encourage an increase in the indirect complicity in the war on the side of Germany which goes on in this country without the consciousness of the men who engage in it.

We must hold fast to the objective of supplying the armed forces with what they need at the right time and at the right place. It is a serious reflection upon the Senate that we should be even considering holding out monetary inducements to slacken in the effort at the prosecution of the war. We all know that if we should have a sudden cut-back or cancellation such as in the case of the

Brewster cut-back under existing law relating to social security and unemployment compensation, we might now offer 9,000 job opportunities, as were there offered, and not have them accepted.

What are we about to do if we accept the Kilgore-Murray theory as against the George theory here? We are going to increase the monetary inducement not to work and not to furnish the supplies which are necessary. We are going to increase the money payments themselves; we are going to lengthen the time of eligibility of men and women to obtain the payments, and we are going to make it rosy and attractive for people who are forced out of industry by a cut-back to remain unemployed, and not respond to the demand of patriotism and the crying need for manpower to go to other places where there are critical shortages, and help to supply B-29's and B-32's.

This morning's press carries the information of critical shortages on the battle front. I shall read from the Baltimore Sun of August 11 a portion of an article which applies to what I have to say:

EVIDENCE OF SHORTAGES

Paul V. McNutt, manpower chairman, said that Lt. Gen. Brehon B. Somervell, head of the Army Service Forces, has presented to the W. M. C. concrete evidence of battlefield shortages in the form of telegrams from field commanders.

Somervell said "on the whole" the Army is in fine shape with respect to supplies, but those that are short are critical and are affecting the fighting.

Shortly afterward McNutt announced the new instructions to W. M. C. personnel. The Byrnes directive was designed to wipe out military shortages by more effectively channeling workers into the critical programs such as heavy trucks, tires, ammunition, tanks, and radar.

We know, furthermore, that what we need today, on account of the rapidly shifting strategy of the war, is cut-back on lighter airplanes and increase in the output of Superfortresses.

I continue to read:

WIDER USE OF CEILINGS

He ordered a wider use of the "employment ceiling" principle, limiting the number of workers in less essential plants. He also gave the W. M. C. authority to prevent the reconversion of plants to civilian production.

McNutt said General Somervell reported that one general had to call off 100 air missions because he didn't have the right type of bombs. Another telegram said 3,500 heavy trucks had to be abandoned because, said Somervell, "he can't keep them up any longer and they had to be replaced."

In another theater of war, 4-ton dump trucks are badly needed, and Somervell said, "we had to tell the general that we couldn't furnish him with the 4-ton dump trucks that he wanted, because we don't have them."

What is the philosophy of the Kilgore-Murray bill? Turn to section 309 (a) and we get the heart of it. The philosophy is not that of duty, of obligation of every competent person to serve his country according to his ability and according to his strength in time of war such as this, but just the opposite of it.

There we find in the Murray-Kilgore bill the declaration of attitude toward the war:

Every unemployed qualified employee . . . shall be entitled . . . to placement in suitable employment.

Think of that. Instead of declaring as a policy of Government, as a policy to which the people of this country have subscribed by every single poll which has been taken up to this time, that every competent person between certain ages shall be liable to contribute by personal service to the war effort in a noncombatant capacity according to his or her abilities, in time of war, at the most critical time of the war, when we are just striking our pace, just hitting our stride, and when shortages are occurring on the battlefields, we make this "softy" declaration—

Every man is entitled to a job.

Not only that—

A suitable job.

Mind you, Mr. President, that does not mean adapted to the demands of a country at war when she should have her loins girded, and all her citizens fighting for her and with her and demanding of their representatives in Congress as a policy that every able-bodied citizen is liable to contribute according to his ability to the war effort. Instead of that we have here a policy exactly the opposite:

Every unemployed qualified employee . . . shall be entitled . . . to placement in suitable employment.

How can we win a war if we make such a declaration in the law of the United States and encourage the people of the United States to live according to that policy? That is one reason why every Senator should favor the George amendment to this bill. The presence in the Murray-Kilgore bill of that policy should be condemned by a great Republic such as ours, whose very life is at stake, at a time when we are just beginning to need the full strength of our productive capacity.

The Murray-Kilgore bill as well as the George bill says:

The Congress hereby declares that the objectives of this act are—

(a) to facilitate maximum war production during the war and to expedite the transition from war to peace.

We all say that. Both bills also say:

(b) to achieve full employment, rising standards of living, and effective utilization of the Nation's resources during the period of transition from war to peace, and thereafter; and

(c) to provide for the development of unified plans and projects and adequate machinery to achieve the foregoing objectives.

We agree on that, but, after that, all else in the two bills is conflicting in principle and in policy. The Murray-Kilgore bill begins by setting up this machinery in titles I and II. It establishes a double-headed organization. There are so many demerits in that type of organization that I made an effort to have titles I and II considered separately and apart from title III. I had an idea that if we could consider titles I and II, with-

out the complex problems and very strenuous objections which title III raised, perhaps we could come to an agreement, because the objectives were the same, as I have read them. All parties agreed on those objectives. The first objective was the prosecution of the war—"to facilitate maximum war production." Having that patriotic object in view, men ought not to quibble and quarrel over the means.

But the proponents of the bill would not separate title III from titles I and II. So we were dragged along with insistence upon a type of bill which still has in it, despite all the amendments which have been made to it, ingredients of the old National Industrial Recovery Act, by which industry and enterprise in this country were hampered. There were snoopers for every factory. Rules and regulations were laid down. The entire life of the community was grasped in the firm hand of bureaucracy until the Supreme Court struck that hand down by declaring the act unconstitutional.

Now we have a scheme for a double-headed organization. Whom is the bill designed to place in the bureau? The Murray-Kilgore bill would create an office of deputy director, with a salary of \$10,000. Probably the proposed organization would be like the old combination of Knudsen and Hillman; and if it were to work even approximately as badly as that one did, we should have a slow-down in production, as against the existing velocity of output for the prosecution of the war. Let me remind Senators that the George bill would not establish a deputy director. In that regard the George bill is so far superior to the Kilgore bill that I think on that ground Senators should support the George amendment.

The Kilgore bill goes into every community and creates something which has never existed before, except to the extent to which we found its counterpart in N. R. A. I refer to the local councils. The bill would create not merely local councils, based upon the theory of the types of industry involved, but it would create area councils. No one knows what the definitions of the areas would be.

I wish to invite attention to a single page of testimony, the only one to which I shall refer. It relates to the matter of the area and local councils which are provided for in the much-amended Kilgore bill. I turn to page 697 of the hearings before the Senate Committee on Military Affairs. I was examining General Clay, who has charge of this subject at the present time.

Senator AUSTIN. Have you any way of estimating the number of the different councils which would have to be set up in the different areas under such a provision as this?

General CLAY. Well, it is my understanding that the War Production Board now has several hundred industry advisory councils. I presume it would follow the established pattern with respect to such councils. Of course, the geographic areas will be quite a problem, because our procurement districts cover different geographic areas from those of any other procurement agency, and you

would have a considerable overlapping even with respect to our own procurement agencies. There are no geographic areas which you could set up that would coincide with procurement areas.

Senator AUSTIN. Now I want to ask you a hypothetical question. Assuming, as we did assume in the discussion yesterday, a motor-car industry, and assuming that there were established the industry advisory councils for that industry, and area advisory councils for various geographic areas of that industry, then if you had a problem in Detroit you would be bound by this law to consult, before you established your policies and program affecting the industry, all areas represented by those councils, would you not? I would like to have you tell us what your impression of the effect of the command on you here is. This is a command. It says "shall."

General CLAY. Of course, the broad interpretation of this means you would practically have to, on any major contract, consult any area committee that there was in the United States, because when you go down into your subcontractual field, if you cancel an automobile contract, or change an automobile contract, your subcontracting will extend over a great many areas. That is true of many items. We have just finished the termination proceeding with Allis-Chalmers, for example, in which there were 2,000 subcontracts involved. Those 2,000 subcontracts were scattered over a very wide area. It would depend, of course, on how many subcontracts there were and how wide the extent of the geographic coverage was of each purchase area, and how many of those contracts would involve consultation if carried to the subcontracting level.

I omit reading the remainder. There is much more, all of which shows that this is a magnificent unfolding of the New Deal theory of bureaucracy. One of the greatest bureaucracies has its matrix in that kind of a bill. The councils would be right on our doorsteps. They would be local. They would belong to the given areas, and business would be under their scrutiny. How long it would be before business would come under their control would depend on how much further Congress may go in these steps toward national socialism. This is a step toward national socialism; and the only question is how willing we are to take another step, and to advance step upon step until we shall have completely acquired the character of a Germany under Hitler.

These committees are not provided for in the George amendment. This method of slowing down the war effort is omitted from the George amendment. The very theory of the George amendment is to accelerate the speed of production, instead of obstructing it and slowing it down. It is also to expedite the transition from war to peace.

But how does it affect reconversion? Here again we are interested in the philosophy of this change. Here we know that in moving out of war factories in which war contracts have been canceled the tools which are designed solely for the production of munitions, the speed with which we can move them out represents the speed with which we can move in the instruments of production for civilian life, the tools of peace. In other words, one of the points of emphasis made throughout the hearings in

the committee, which lasted for months, was that time is of the essence in this connection. Such conversion is occurring all the time. It started at the very beginning of the war. It has continued as we note, until last night orders were issued canceling or reducing great contracts having to do with the production of certain types of airplanes, thereby releasing 20,000 men, rendering them idle, but also rendering them available to be transferred to other places where they can serve their country in time of war.

The theory of the George bill, as against the theory of the Kilgore bill, is to speed every one of the transactions incident to conversion, so that our factories may be available for peacetime production when we are done with war production, so that the obstacles to peacetime production may be removed, so that the doors may be opened to peacetime civilian activity at the earliest possible moment. If a factory has no room for the production of essential civilian articles but has all its facilities devoted to the production of munitions or other articles needed in time of war, speed in the conversion process is of the utmost importance. If the matter of speed of conversion to peacetime activities is ignored, a factory having war contracts might be permitted to continue its production of goods under war contracts for an appreciable period of time longer than the need for such production actually existed, thus building up a surplus of such goods during a period of days or weeks of continued production in a factory which should have been closed or converted promptly.

Let us consider the practical difference between the Kilgore bill and the George bill. The Kilgore bill provides that the director cannot work without the advice and consent of the deputy director. If they disagree about some detail, that will slow down the process. But they must consult not only their board, which is a paid organization, but also the other great bureau of area councils and local councils. By the time they get around to deciding that the Allis-Chalmers contract, for example, should be canceled, Allis-Chalmers will have been running, let us say, a week, and will have been turning out an excess or surplus goods, while this monstrous bureau, with its two heads, has been plodding its slow way to a decision.

On the other hand, under the George bill the entire business—policy, execution, all of it—heads right into one director; and speed is of the essence in an organization of that kind. We would not consent for a moment to the establishment of such an organization in peacetime, but in wartime we have found that we must have the capacity to move with the rapidly shifting strategy and the suddenly changing needs and demands for various types of weapons. We must have flexibility. We must be able to change promptly. So in wartime, under the Constitution by which we have the power to do these things, under the George bill, we would vest in a single man, not in two men, the power of decision.

The PRESIDING OFFICER. The Chair wishes to announce that the Senator's time on the amendment has expired.

Mr. AUSTIN. I thank the Chair. If permitted, I shall proceed on the bill.

The PRESIDING OFFICER. The Senator is recognized to speak on the bill.

Mr. TYDINGS. Mr. President, will the Senator yield to me long enough to permit me to give him my belated thanks for his courtesy a moment ago?

Mr. AUSTIN. That is wholly unnecessary. I benefited much from the Senator's remarks.

Mr. President, do not let anyone mislead into the belief that the Kilgore bill is not a manpower bill. I am too familiar with the subject not to recognize that the provisions of the bill which are poor substitutes for a national-service act which would create safeguards, lay down standards, and provide the way in which pools of surplus labor might be directed at the proper time to the places of critical shortage. The theory of the Kilgore-Murray bill is to put the screw on, through the pocketbook nerve, and to render ineligible for unemployment compensation payments any worker who does not obey the command to go from one place to another. On the other hand, the Kilgore bill—and this shows the weakness or hollowness that is in its theory of facilitating maximum production for war—is now proposed to be amended. Its authors have come forward with an amendment, after the bill has been reported from the Committee on Military Affairs, and now say, "Just to prove that this is not a national service act, we are going to amend it so that a worker cannot be disqualified from getting his pay just because he does not obey a transportation order." Mr. President, I read the language of the bill relating to that matter. It is found on page 29 of the last copy of the bill I have received. It reads as follows:

(b) No otherwise qualified employee shall be denied interim placement benefits because of a refusal to make application or accept transportation, training, or education authorized by sections 306 and 307 of this act.

But as to all other things, the worker must obey, or else he may be disqualified to receive the interim placement benefits.

All through the grants of Federal powers which are contained in titles I and II of the Murray-Kilgore bill, relating to the way to facilitate maximum war production, we find the conflict of ideas which is represented by this amendment as against the other provisions of the bill. If a little of the attitude of being reasonable and of being willing to meet the wishes and the views of others had been exercised in the Committee on Military Affairs when the bill was being considered there, the result might have been that a different type of bill would have come from the committee.

We do not find anything at all upon that subject in the George version of this method of increasing production. The assumption of the George bill is that this

country has volunteered en masse in the war effort, and that all able-bodied persons who are not engaged in fighting recognize their obligation to serve in the prosecution of the war according to their abilities, and in the support of our soldiers at the front. That is the theory of the George bill. It does not beg the question by declaring that every unemployed person shall be entitled to placement in suitable employment. On the theory that it is the duty of citizens of this Republic to defend it to the utmost of their property and their lives when it is under attack the George bill marches forward with titles I and II, and sets up an organization which would be effective and which would operate smoothly and speedily without the collisions of disagreement which would occur between a director and his deputy director, the latter not having been appointed by the director, but holding his office independently under appointment by the President.

Mr. President, the George bill does not contain provision for any such futility as an enormous bureau of regional or area councils, and local industrial councils, which would hinder and impede the production of munitions of war, and which would slow down the transition from war production to peace production. The George bill assumes that every citizen, recognizing his obligation and his duty, will act according to the instructions of a director who has behind him the law of the land, giving strength and power to his arm. Today, Mr. President, he has it not.

Under directives and Executive orders coercions creep up slyly behind men. Under those conditions do we receive a response of the consent of the governed? No. Many examples of sudden cut-back of contracts resulting in sudden discharge of a number of employees have proved that nothing can be done. Men and women will not go. They know perfectly well that if they do not go there is nothing today that the Government can do about it.

If we pass the George bill, Mr. President, I assert that mobilization will function because it will be the voice of the people speaking through their representatives in Congress, and not a voice which comes down to them from the clouds somewhere without any authority of law behind it. It will not be diffused for the duration of the war and 2 years afterwards. There will be no doubt in the minds of the people as to where the authority rests. It will not be necessary to go shopping all over the numerous bureaus in Washington in order to find out where we should apply to have our rights as citizens considered and finally determined.

For a long time we have needed the legislation represented by the George amendment in titles I and II. There is an opportunity to have them now without running the risk which exists in the theory that the obligation is all on the part of government to the citizen, that government is a sort of Santa Claus, that government owes it to everyone to insure him security, prosperity, and hap-

piness. Such a theory would reverse, in fact, the sound theories upon which we have built up the strongest Nation of men and women in the world. That result has been achieved because we held to a different theory, one diametrically opposed, namely, that of overcoming obstacles, of acquiring what we obtain through the sweat of the brow, through individual effort, individual enterprise and initiative. It is that theory of economy which has made us a strong race and a strong people. If we had started this Nation on the theory declared in the Murray-Kilgore bill, that every unemployed and qualified person would be entitled to placement in suitable employment, how long would the United States be a free Nation and a Republic? That theory strikes at the vitals of the Republic. That theory, if put into practice, would kill the Republic. In the first place, it would bankrupt it financially; but, worse than that, it would make of it a moral wreck.

So I say that we should accept the George amendment and adopt it by such a large majority as will emphatically announce to the people of our country and of all the world that we adhere to those fundamental principles which have made this country a great, free Republic, strong and mighty, able to go forth and fight for freedom anywhere in the world, and to announce further that we have not abandoned under any kind of temptation the ideals which call for sacrifice, determination to work, and the will to fulfill the pledge of "our lives, our fortunes, and our sacred honor."

Mr. DOWNEY obtained the floor.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. TUNNELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Revercomb
Andrews	Guffey	Reynolds
Austin	Gurney	Robertson
Bankhead	Hatch	Russell
Barkley	Hawkes	Scruggs
Brewster	Hayden	Shipstead
Brooks	Hill	Stewart
Buck	Jackson	Taft
Burton	Johnson, Calif.	Thomas, Utah
Butler	Johnson, Colo.	Tobey
Byrd	Kilgore	Truman
Capper	Langer	Tunnell
Caraway	McClellan	Tydings
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Mo.	Maloney	Wailgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Danaher	Millikin	Weeks
Davis	Moore	Wherry
Downey	Murray	White
Eastland	O'Daniel	Wiley
Ellender	O'Mahoney	Willis
Ferguson	Overton	Wilson
George	Pepper	
Gerry	Radcliffe	

The PRESIDING OFFICER. Seventy-six Senators having answered to their names, a quorum is present. The Senator from California has the floor.

Mr. DOWNEY. Mr. President, I had not intended to present any argument on the pending measure, but, in view of

the wide range of the discussion and the momentous importance of the issues involved, I feel that I would be derelict in my duty if I did not present upon this floor certain of my own ideas concerning the pending bill and the general state of the Nation.

I wish to say, in the first place, that I am certain that every Senator who has addressed the Senate has spoken his sincere and honest convictions; I have not the slightest doubt that the sentiments here being expressed, come honestly from the minds and hearts of the men who are expressing them. Upon this particular measure I find myself generally out of step with the distinguished Senators from the South; but I understand the reasonableness of their viewpoint; I know they are sincere, and, indeed, I am willing to assume the possibility that time may vindicate them rather than me.

Nevertheless, Mr. President, I have had a sense of desolation as I have listened to some of the arguments that have proceeded here. I think all of us now know what history will write of American soldiers and sailors in August 1944. Beyond doubt, what our Army and Navy is doing will be recorded in history as a mighty achievement. But I wonder how history will write of this debate and the sentiments that have been uttered here. I wonder how after the passage of a year some of the statements that have been made will be evaluated.

I heard the distinguished senior Senator from Ohio (Mr. Taft) make a statement upon this floor that rather appalled me, because I know that that statement came from his honest and sincere conviction and I know he is a highly intelligent and an honest man. The Senator stated that he believed the national income would not exceed one hundred and twenty billions in the post-war era. Even though his opinion was discouraging to me I know it is more optimistic than those held by many of the great industrialists and Republican leaders of the Nation. I do not know whether or not the distinguished Senator meant by his statement that the national income would remain static at that amount for an indefinite period, but in any event I desire briefly to analyze his conclusions as the differing views of Senators on the national income in peacetime greatly affect their attitude toward the pending issues.

Mr. President, the workers of America are today developing a national income not of \$120,000,000,000 but \$150,000,000,000. In the last fiscal year the expenditures of the Government alone, if there be included in them the disbursements of the R. F. C., reached almost \$100,000,000,000. But the distinguished Senator from Ohio thinks that when peace is here again and twelve or fifteen million of our youngest and best are restored to our economy, we can produce only \$20,000,000,000 more than is now being spent by the Federal Government. I think the position of the distinguished Senator leads him into a theory so ominous to this country, if it be sound, that we had better prepare for dismal days ahead.

For, Mr. President, the present farms and factories and the other productive units of our country are capable of yielding an annual wealth of one hundred and fifty or two hundred billions. Where will we find investment in the future if the present capital units of our country are more than sufficient to support the income that we will produce? Does anyone claim that capitalism can endure without an outlet for the national savings, without the possibility of dynamic expansion? I do not think so.

Mr. President, let us take the greatest American industry of all—steel. We are now producing almost as much steel as all the rest of the world combined—90,000,000 tons—and 90,000,000 tons of steel would support a national income of \$200,000,000,000. If we can operate the income of our Nation at the rate of only \$150,000,000,000, we are going to have 25 percent of our steel capacity idle.

Mr. President, let us take the great automobile manufacturing plants. They are today, or would be 6 months after the war ended, able to produce 25 percent to 50 percent more automobiles than the automobile manufacturers believe they can sell.

Mr. TAFT. Will the Senator yield?

Mr. DOWNEY. Permit me to finish the thought. We have factories for the manufacture of automobiles, which can be readily converted back to civilian production, geared for an income of one hundred and fifty or two hundred billion dollars.

I yield to the Senator from Ohio.

Mr. TAFT. The Senator is well posted on national income. I wonder whether, as a factual basis for this discussion, he can put into the Record the figures as to the national income during the thirties and in 1940. Has the Senator those figures?

Mr. DOWNEY. I have the figures in my head.

Mr. TAFT. What was the national income in the year 1939?

Mr. DOWNEY. The national income is variously stated, but it was somewhere around seventy-two billion or seventy-three billion dollars for that year.

Mr. TAFT. It was about \$72,000,000,000 in 1939, when we had fairly well recovered from the depression just before the war. Is that correct?

Mr. DOWNEY. I would not say we had fairly well recovered even in 1939. There were seven or eight million men totally unemployed, and seven or eight million part-time workers. Our industrial and farm plant even then was operating at less than 75 percent of capacity.

Mr. TAFT. However, if we take the figure of \$72,000,000,000 in 1939, it seems to me my estimate for the post-war period of \$120,000,000,000 is a very liberal one, which would assure prosperity for peacetime, which this country has not seen in peacetime certainly since Mr. Roosevelt became President, in 1932.

Mr. DOWNEY. I know the distinguished Senator desires to state all the facts. When Mr. Roosevelt became President the national income had almost dropped out of sight. It was about forty-two or forty-three billion

dollars. I am afraid that some of our great industrialists and able public leaders may be as blind to approaching events as were Mr. Hoover and his advisers.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DOWNEY. First, I should like to read a letter I hold in my hand. On March 7, 1929, I think it was, Mr. Hoover, in his message to Congress, assured the American people that we would have permanent and certain prosperity. At that time I took occasion to write a letter to Mr. Hoover. I do not know whether he ever read it or not; at least, he never answered it. The letter read:

MARCH 8, 1929.

DEAR MR. PRESIDENT: In your recent inaugural address you assure our people that you "have no fears for the future of our country." May I suggest that developing economic trends forecast conditions that will steadily become more hazardous and should be apprehensively viewed by every governmental leader.

It seems apparent that our industrial and farm growth is bringing us to an imbalance between the capital we are accumulating and the capital that can hereafter be utilized in new enterprises. If from now on our vast productive instruments will yield, at full employment, more savings than can be absorbed by business enterprises, then a great financial disaster lies ahead and thereafter a continued depression and widespread unemployment, until we shall have brought savings and new capital requirements into rational balance.

May I respectfully suggest that a commission of economists and business leaders should be immediately created to investigate the economic trends of increasing capital and decreasing capital outlets so that appropriate and vigorous means may be taken to meet the developing crisis.

Sincerely,

SHERIDAN DOWNEY.

What I desire to point out to the distinguished Senator from Ohio is that it is now universally admitted by all the economists that the depression of 1929 came because in the first 9 months of 1929 we took out of the capitalistic system in savings, corporate and individual, \$22,000,000,000, and returned only \$16,000,000,000 in capital investments, and necessarily \$6,000,000,000 of inventories accumulated, those inventories which had generated those savings which were not spent.

Mr. TAFT. Will the Senator yield?

Mr. DOWNEY. I must yield to the Senator from Maryland first. But I desire to add, the Senator from Ohio is here making a statement, as I understand him, that we cannot hope to maintain the national income from now on at even 65 or 75 percent of what the present capital goods, the railroads, the utilities, the factories, and the farms, are now able to produce. I ask him what hope is there in America of a dynamic, expanding economy if our national income must fall far below what even the present productive instruments can produce? I yield to the Senator from Maryland.

Mr. TYDINGS. I did not wish to interrupt the colloquy between the Senator from California and the Senator from Ohio. My point in rising was to suggest to the Senator from California that the assertion which is so often made,

and rarely contradicted, that we have an income of \$150,000,000,000 now, is, on closer examination, found to be true in the larger sense, but not true in the specific sense, for the reason that the income of the Nation must take into consideration the corresponding debt of the Nation. Therefore, if we are spending, governmentally, a hundred billion dollars a year, and are raising only 45 billion, therefore we are going into debt, roughly, about \$50,000,000,000 a year. So that if we subtracted the \$50,000,000,000 from the 150 billion, we would have a hundred billion dollars net income. The other income is totally artificial.

To assume that we now have a hundred billion dollar income as if it were all clear and provided for, in the face of a growing \$50,000,000,000-a-year debt, is, I believe, to assume we have an income which in fact we do not have. We have not had an income of more than a hundred billion dollars a year since the war started.

Mr. DOWNEY. Mr. President, I do wish to yield to questions, and I certainly desire to yield to the distinguished Senator from Ohio, but my time is limited. I will, however, attempt to answer the distinguished Senator from Maryland.

The Senator states that because the Federal Government expended \$50,000,000,000 more than it collected in taxes, therefore, even though we produce \$150,000,000,000 in real wealth, in food, shelter, clothing, munitions, ships, airplanes, that wealth and that income are fictitious. Ask Tokyo if the great super-bombers are fictitious. Ask the soldiers in Normandy if our shot and shell are fictitious.

I can certainly agree with the distinguished Senator that we have been able to reach our \$150,000,000,000 of actual production only by deficit financing, and I agree that that is unfortunate. It is strange indeed that in war we have an energy and a power by which we produce at full capacity, while in peace palsy overtakes us.

I wish to say to the distinguished Senator that I may agree with him to a certain extent as to the danger of deficit financing, but whether by deficit financing or not, it is a fact we have turned out in the last fiscal year double the amount of wealth in real goods that we turned out in 1939.

Mr. TAFT. Mr. President—

The PRESIDING OFFICER (Mr. JACKSON in the chair). Does the Senator from California yield to the Senator from Ohio?

Mr. DOWNEY. I yield.

Mr. TAFT. If in 3 or 4 years after the war we have an average annual income in peacetime of \$120,000,000,000, that is an expanding economy which is about 40 percent bigger than we have ever had in time of peace, and I think we would be very fortunate if we could get a real income of \$120,000,000,000. Today it is all very well to say that we are producing \$150,000,000,000, but half of it is being given away or shot away, and does not in any way go into the standard of living of the people. A na-

tional income of \$120,000,000,000 in peacetime would increase by 50 percent, practically, the actual present standard of living of the people of the United States. I wish to say that if we can get a national income of \$120,000,000,000, we will be lucky, and we will have an exceedingly prosperous America, from which we can go on perhaps 10 years later to reach the goal sought by the Senator from California.

Mr. DOWNEY. Mr. President, I cannot agree with the Senator. I hope we will be able to maintain a free economy, but I do not believe anyone can hope to pass laws to protect and develop that economy unless he understands the basic mechanism of the capitalistic economy. What is that basic mechanism? Businessmen in producing the goods and the services of the Nation generate the national income or the national purchasing power. This money which we get in the form of wages, salaries, rents, interest, and profits comes from businessmen and farmers in the production of the goods and services of the Nation. I might point out to the distinguished Senator that businessmen, having produced the goods and services, and having paid out the purchasing power, if they would continue in business then have to do a third thing, and that is to sell those goods and services and recapture the purchasing power they themselves have paid out.

But we have another factor in the capitalistic system. Over a long period of time the Nation has yearly saved 20 to 25 percent of the national income. If we pay out \$120,000,000,000, and \$25,000,000,000 is saved and goes into stagnation almost immediately, all business would go broke. But those savings in the past have been reconverted in building our farms and factories. So long as we can find investment outlet for our savings, very well. Whenever we cannot, we should prepare for trouble. But if we start in with the assumption of a national income of only \$120,000,000,000, when we have capital assets of \$150,000,000,000 or \$200,000,000,000, how are we ever going to find the opportunity to invest any part of our savings? How can insurance companies, how can the banks or the building and loan associations loan out their money to build more factories, when the factories in existence are operating at only 50 or 75 percent capacity? As a matter of fact, with a national income of \$150,000,000,000 or \$200,000,000,000, undoubtedly even then there will be difficulty in finding outlets for our constantly expanding capital.

Mr. President, I had occasion to discuss this question of national income with a distinguished member of the War Production Board, Mr. Wilson. I told him my figures indicated we could now develop a national income of \$150,000,000,000. Mr. Wilson told me he believed that within 1 or 2 or 3 years after the war the great productive power of America could produce a national income of \$200,000,000,000, and many of our best economists agree with that.

Mr. President, it seems plain to me that to the extent men cannot sell their

products they cannot work. If with a 40-hour week and reasonable employment we could produce \$150,000,000,000, and we produce only \$120,000,000,000, we are going to have ten or fifteen million unemployed, with all that that entails.

The only reason I have raised this point is because even under the figures of the distinguished Senator from Ohio we must almost double the wages of our workers if we are going to allow them to buy back the products of industry. If we want them to be able to buy the food and clothes, and automobiles, and furniture, and homes which they can now produce, even on the basis of a \$120,000,000,000 income, we must pretty nearly double the average income of everyone in the Nation.

I see distinguished Senators smile in some amusement and doubt that that can be done. Let me say to them that I think the idea that we must keep our wages down to what they were in the pre-war era may lead to a great collapse. If on a 40-hour week all of our workers reasonably employed would produce \$120,000,000,000 or \$150,000,000,000, then we have got to materially raise the income of the workers and the masses of the people, or they will not be able to buy what they will produce if working.

We are tremendously worried here at the idea of paying out \$20, or \$25, or \$30, or \$35 unemployment compensation. We had better accustom ourselves to paying the incomes in this Nation to all classes by which the aggregate income will be sufficient to take off of the market the total products of employment.

Mr. President, I have for the distinguished Senator from Georgia [Mr. GEORGE] only the highest respect. In a colloquy which took place between the Senator from Georgia, the Senator from West Virginia [Mr. KILGORE], and myself earlier today, neither the Senator from West Virginia nor I—at least not I—attempted to criticize the Senator from Georgia or the Finance Committee for the carry-back provisions of the 1942 Internal Revenue Act. Nevertheless, those provisions are in the law and the figures are plain. We have now earmarked in the Treasury of the United States approximately \$30,000,000,000, for the relief of the great corporations of America in the 2 years after the war. It is true that that is accomplished by an income-tax mechanism. Let us see what that is. Let us reduce it to its simplest state. Let us figure only on a 2-year period.

Assume a corporation made \$1,000,000 in 1 year and had to pay in \$750,000 excess and normal taxes on it. It would be left with \$250,000. Assume in the next year it lost \$1,000,000. Then under the principles of the carry-back provision the 2 years would be figured together, and the corporation would have made no profit over the 2-year period and the corporation would be entitled to be repaid from the Treasury of the United States the \$750,000 it had paid in taxes. That is the mechanism which has been worked out to protect our corporations against losses, and against lost earning power in the 2 years after the war.

Mr. President, I am not criticizing that plan. I think we must keep our great corporations operating; and if they operate at a loss we must provide some solution of their problem. As a matter of fact, I favor this plan, but I must admit a large degree of surprise at finding members of the Finance Committee who are willing to approve a bill which might cost the Treasury, in the 2 years after the war, ten, twenty, or thirty billion dollars for the relief of great corporations, but who tremble with dread at the suggestion that workers should be kept from want and destitution by the expenditure of a few billion dollars.

THE PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. DOWNEY. I will take time on the bill, Mr. President.

I hold in my hand a letter from Randolph Paul, whose fertile brain, I believe, worked out the carry-back provision of the 1942 Internal Revenue Act. The letter is dated December 30, 1943, and was sent to me by Mr. Paul at my request. I shall read only one sentence:

Since these carry-backs will result in refunds of previously paid taxes for corporations suffering losses or substantial declines in income, accumulated surplus will be reduced only by the difference between the loss and the tax refund.

Mr. President, I ask unanimous consent to have printed in the Record at the conclusion of my remarks this letter from Mr. Paul, together with the data which he sent me.

THE PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. DOWNEY. Again Mr. President, I wonder what history will say of the Congress in August 1944. We now have the capacity to go into a world of unparalleled power and security. Today we have machines which do work which 10 years ago required 500 workers. Tomorrow they will do the work of a thousand. Clothing, shoes, furniture, food, and every other kind of goods and commodities can now abundantly flow from the factories and farms of America; but unless we rid ourselves of the complex of poverty, unless we concretely realize that men cannot work unless they can sell the products of their toil, unless we realize and act on our power to realize security for all there can be no help for us.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. AIKEN. In that connection, I am informed that the great agricultural organizations of the country were given absolutely no opportunity to study the bill before an attempt was made to jam it through at this session. I think the action we are taking here now is nothing less than a travesty on good legislation. A short time ago I was speaking with Mr. Albert Goss, the master of the National Grange. He told me that I might tell this body that he had had no opportunity to study the bill. He had appeared before a committee which was considering an entirely different bill. As I have stated, it is nothing less than a

travesty on good legislation to try to jam through anything like this without Senators having an opportunity to study it.

Mr. DOWNEY. I thank the distinguished Senator for his contribution. I am quite in accord with the statement which he made yesterday, as I interpreted it, to the effect that he believed that at the same time we lay out a plan for rehabilitation and protection of the workers in the post-war era, we ought to consider the rights and problems of the farmers. I know that in my own State the farmer and the worker will be equally imperiled. I know that in each case the utmost tolerance and intelligence will be required properly to sustain and protect them in the transition period which will follow the war.

I believe that some attempt should be made after today, whatever bill is passed, to consider and secure more effective legislation operating over the whole of society. It is true that the farmer and the worker are Siamese twins, and that they will live and prosper together, or wither and die from the selfsame cause. So to the extent that the workers have adequate wages, we can help to maintain farm prices. But on the other hand, the farmers have many peculiar and difficult problems. I know that in my own State our farm economy faces a very perilous situation, judged from the viewpoint of the farmer.

I wish to refer to another question. I believe that more comprehensive legislation should be enacted to protect the rights of farmers as well as workers, and the great and small business groups, but I wish to speak now for that forgotten generation, the senior citizens of this land, who can no longer work because they have not the strength. Some persons are shocked at the suggestion that we should pay unemployment compensation of \$35 a week; but I believe the distinguished Senator from Ohio [Mr. TART] himself suggested that \$25 a week might be a fair sum. I believe I am correctly quoting him.

Mr. President, during the war period, when we have found \$100,000,000,000 a year for governmental expenditures, let us see where we have left the aged of America. Let us see with what dignity, kindness, and protection we have surrounded them.

The average payment of old-age assistance in the United States in June 1944, was \$27.55—not a week, but a month. The only reason it was that high was that the State of California raised its pension to \$50 a month, which tended to bring up the average. Under old age Federal insurance these are the amounts now being paid to them, on which they are expected to retire and live in decency:

The average monthly payment to the primary retired worker is \$23.61; to the wife, \$12.58; to the child, \$12.35; to the widow, \$20.15; to parents, \$13.12.

So, Mr. President, while we are going forward with plans for a new economy, and wondering what may happen to the farmers, the workers, and the great corporations and businesses, we might well consider saving a few crumbs, a few

crusts of bread, for those of our workers who are too old to work any longer. It is my own opinion that the retired senior citizen should receive an income equal to that of the worker.

Mr. President, some remarks have been made about the burden of the public debt.

I think we all realize the difficulties and dangers of deficit financing. But let us likewise remember that there is all the difference in the world between a debt owed by society to its members and a debt owed by one person to another. There is no analogy between the two.

The distinguished senior Senator from Ohio [Mr. TART] commented with some apprehension that the interest charges on our national debt in the post-war era will be approximately \$6,000,000,000 a year. If that \$6,000,000,000 is paid in by income-tax payers, it will immediately be paid out to those who own the bonds, either directly or through their banks or insurance companies. I realize very well that there are dangers and difficulties in deficit financing. But let us not worry too much about a debt which all of us owe as a collective society to the individual members of that society. If we had nothing but that to worry about, we would be fortunate indeed.

Mr. President, much stress has been laid upon the fact that because of the devastation of this war we must make great sacrifices after the war. A winning nation which does not have to pay reparations cannot make any sacrifices for a war after it is fought. Sacrifices for a war must be made while the war is being fought. It is during the war that we give up our food, our gasoline, the use of our automobiles; it is during the war that we work long hours. Of course, if we exhaust our national resources, that is different. But that has not occurred in the United States. Of course, if one is left in bondage to the enemy, that, too, is different. But generally speaking, sacrifices for war are made by a nation only when a war is on. To plan an economy on the basis that after the war our people will have less because they must pay the expense of the war is incorrect. Our capacity to produce will not be decreased by this war. On the contrary it will be hugely increased.

Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator has an additional 15 minutes.

Mr. DOWNEY. Very well. I will not use all of it.

Mr. President, recently in California I was a candidate for the Democratic nomination for Senator. In my closing speeches there, I summed up my hopes and philosophy. It will take me only 4 or 5 minutes to read that summary. I wish to read it as my conclusion to this argument:

Under the so-called veterans' omnibus bill, recently passed by the Senate, excellent provision was made to initiate a fine, helpful program for all returning members of the armed forces, for such training and education as may be advisable.

While this bill also provides unemployment compensation for the veteran, and all

efforts will be made to give him every chance to return to his former job, it is my own opinion that the security of our returning soldiers will be realized only by security for us all. If the Nation drops into another deep abyss of unemployment, every class and kind will suffer; neither the rich nor poor, farmer nor worker, civilian nor soldier can hope to escape.

Sooner or later this war will end and will fast fade like a dream. Then what will we do at home and abroad? How will we bear ourselves in foreign and domestic fields, as we deal with a convulsed and suffering world, and confront in our own Nation many a difficult post-war problem?

Does it not seem plain that our veterans can be fully repaid for their service only if we dedicate ourselves to a sufficient and enduring internationalism, and to a domestic program that will protect all of our own people? What must be the prime objectives of such a dual policy, domestic and foreign? Let me state them as I see them: Peace, and implemented cooperation with the world beyond our borders; at home, religious and racial tolerance, the opportunity for all to work, and security for those who can no longer work.

It will not be easy to attain these goals; but more and more I have an abiding faith that we will find the way, the way to the fulfillment of the American dream.

First of all, I think that if we are to rebuild this Nation of ours, so that we can dwell together in security and happiness, we must hold fast to an abiding faith, we must have the will and the power to perform the tasks ahead. "Faith can move mountains," and we must have that faith, so that war, intolerance, and idleness can be ended, or else those dreadful monsters will ravish us to the end of time.

Yes, "faith can move mountains"; but it is also written that "a people who are without vision shall perish from the earth." Pray God, that both faith and vision shall possess us when we meet the difficulties of tomorrow, for we shall face a problem unparalleled in all history. At the war's end we will have passed from an age of poverty to an age of abundance, due to our tremendously expanded means of production. We must learn how to use and distribute that abundance, or our people cannot work. Oh, is it not plain that just to the extent that we fail to buy in the markets and use in the homes the goods our workers will produce if they are fully employed, just to that same extent idleness and the bread lines again will spread their corroding despair, and again we will be submerged in a depression more calamitous than was our last one.

But if we are worthy of our mighty heritage, such a depression should never ravage our country again. For by vision we can now clearly foresee, and by faith we can readily bring into existence, a future fully utilizing the benefits of science and medicine, a future which will reckon its glory in terms of a healthy and happy life for all of our people, a future which, for the first time in recorded history, will employ all the latent genius of our Nation, unblighted by idleness, poverty, preventable disease, racial or religious discrimination; a future which will require in its leaders, an imaginative understanding of a fast moving, powerful, fertile machine age, an age of dynamic change and potential abundance, and one possessing and possessed by new and gigantic forces.

So I shall remain devoted to the cause of an implemented internationalism that must be made to preserve peace in an otherwise warring, chaotic, and despairing world. My faith shall remain firmly fixed on two enduring basic rights—the opportunity for everyone to work, and the right of those who can no longer work to enjoy security and dignity by adequate retirement annuities. Throughout my

life I shall remain committed to the principles of democratic equality, vigorously opposing racial, color, or religious discrimination.

I shall continue to hold to the faith that when our war workers shall be happily restored to peacetime production, when, from their final triumph over tyranny, our soldiers and sailors shall come back to us—our boys and our girls—all of us together, young and old, veterans and civilians, men and women alike, achieving unity by tolerance, achieving strength by unity, with faith and confidence, will be able to adapt ourselves, our fortunes, and our free way of life to the tempo of a dynamic and ever more abundant age. Then, indeed, we shall bring to splendid reality the fulfillment of the American dream.

EXHIBIT A

GENERAL COUNSEL,
TREASURY DEPARTMENT,

Washington, December 30, 1943.

HON. SHERIDAN DOWNEY,

United States Senate.

MY DEAR SENATOR: The enclosed information is in response to your request for data on the reserves corporations have accumulated since the beginning of the defense program. Reserves are here interpreted to mean surplus accumulations after payment of taxes and dividends.

Table I presents the net profits of corporations after payment of taxes and dividends for the period 1940 through 1944 and, also, for purposes of comparison, the year 1929. These data are shown both for all corporations and for corporations earning net income in this period.

Table II presents the net worth, as of December 31, 1939, of all corporations submitting balance sheets with their tax returns. About 5 percent of all-profitable corporations, and approximately 17 percent of all deficit corporations, did not submit balance sheets in that year. Earnings retained by corporations in 1940 through 1944 would constitute additions to this net-worth figure. Issuance of new securities would also increase net worth, while retirement of outstanding securities would reduce it.

The segregation of different items of net worth, surplus reserves, surplus, and capital stock, is quite arbitrary, and depends on the decision of corporate management and on State laws. Not too much significance should, therefore, be attached to these separate items. For example, issuance of a share of stock may be shown on one corporation's balance sheet entirely as capital stock, and on another's as half capital stock and half surplus. The same kind of decision is involved in separating accumulations of surplus; some corporations prefer to earmark a portion of surplus as a reserve, while others leave it unsegregated. The mere bookkeeping entry, however, does not change the character of these accumulations.

The additions to surplus since the beginning of the defense program represent a cushion to absorb post-war losses. It must be borne in mind, however, that these are not necessarily cash accumulations, and, to the extent they are held as inventories, their soundness depends on the post-war price level, as well as the ability to realize their full value from the Government when contracts are terminated. Moreover, to the extent corporations are accumulating unspent depreciation reserves, their ability to absorb post-war losses is further increased. On this latter point, data are not available for corporations.

The post-war losses which can be absorbed by these surplus accumulations are much larger than the accumulations themselves because of the operation of the 2-year carry-back of net operating losses and unused excess-profits credits. Since these

carry-backs will result in refunds of previously paid taxes for corporations suffering losses or substantial declines in income, accumulated surplus will be reduced only by the difference between the loss and the tax refund. In the case of the excess-profits taxpayer, losses would have to be approximately five times as large as accumulated surplus in order to eliminate it, and two and

a half times as large for the corporation earning only normal profits during the war period.

I hope this information will satisfy your needs. If you would like additional data, don't hesitate to call on us.

Sincerely yours,

RANDOLPH E. PAUL,
General Counsel.

TABLE I.—Net profits after taxes, dividends, and accumulated surplus, 1929 and 1940-44;
all corporations and corporations with net profits

[In millions of dollars]

	Actual			Estimated			
	1929	1940	1941	1942	1943	1944	Total 1940-44
All corporations:							
Net profits after taxes ¹	8,083	4,778	7,271	8,450	9,150	9,900	39,549
Net dividends paid ²	5,927	4,068	4,463	4,100	4,000	4,100	20,731
Retained earnings.....	2,156	710	2,808	4,350	5,150	5,800	18,818
Net income corporations:							
Net profits after taxes ³	10,891	6,882	8,728	9,100	9,950	10,900	45,560
Net dividends paid ²	5,817	4,036	4,426	4,000	3,900	4,000	20,362
Retained earnings.....	5,074	2,846	4,302	5,100	6,050	6,900	25,198

¹ Compiled net profits, less dividends received from domestic corporations. The loss carry-over is not deducted; it would represent a double deduction, since the losses of deficit corporations, for purposes of these data, are deducted from the profits of profitable corporations in the year incurred.

² Cash dividends paid, less dividends received from domestic corporations.

³ Compiled net profits, less dividends received from domestic corporations and loss carry-over deduction.

Source: 1929-41, Treasury Department, Statistics of Income, pt. 2; 1942-44, Treasury Department, Division of Research and Statistics.

TABLE II. Net worth of all corporations submitting balance sheets Dec. 31, 1939

[In thousands of dollars]

Capital stock, preferred.....	17,255,301
Capital stock, common.....	73,481,904
Surplus reserves.....	7,847,231
Surplus and undivided profits.....	51,301,984
Deficits.....	-13,022,390
Total.....	136,864,030

Source: Treasury Department, Statistics of Income, 1939, pt. 2.

Mr. TUNNELL. Mr. President, I had not intended to discuss the pending bill. I have sat through practically all the debate which has taken place.

Last night as I was riding in an elevator I heard a Senator facetiously remark that the time was about right for him to make a speech on the pending subject. He said, of course, that he knew nothing about either of the pending bills, and did not want to be interrupted. That has become the position of some of those who have listened to the discussion which has taken place.

I came into the Chamber with the idea that the debate was to be addressed to conditions which would arise after the soldiers were released from their military duties, or after there had been a change in circumstances which would make possible the probability of unemployment. I found the situation to be entirely different. Instead of hearing such a discussion I found a more or less political line-up on the subject.

We are told that practically the same combination is at work which succeeded so well in preventing the soldier from having an opportunity to vote at the coming election. Mr. President, I do not know whether that is true or not. We can better tell after the vote. I have watched certain sheets as they have been carried around the Chamber. I have seen

tabulations made by the board of strategy. I have seen what appeared to be the combination.

I believe that the subject now before the Senate requires something more than the application of petty politics. I think that a real problem will face the American people with regard to reconversion. I know that to be the sentiment of the people throughout the country. When we leave Washington we find persons who believe that something should be done to prepare for the conditions which will exist following the war. They believe that something should be done to prepare the people for readjustment. Some of the bills and amendments which have been presented recognize that fact.

The George bill is entitled "To amend the Social Security Act, as amended." That is what we are here trying to do. We are discussing a bill to amend the Social Security Act, as amended. Perhaps it will take care of the after-the-war situation. Possibly it will take care of reconversion, but I do not believe it will do so, and I do not believe that the majority of the American people believe that it will do so.

Mr. President, I do not know what are the amendments which have been offered to the bill by the Senator from Georgia. I heard someone ask him about the matter, and I understood him to say that he had offered a part of the printed amendments. I wish to add my word of approval of some of the comments of the Senator from Vermont [Mr. Aiken] in which he said he thought it was more or less of a travesty to attempt to handle a situation of this nature without even, as I understood him to say, having the bill printed as it is now being considered. Why should it not be printed so that Senators may have before them the bill in its complete language?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. BARKLEY. The print which appeared on our desks yesterday was a complete clean print of the Kilgore-Murray bill as it was modified by the Senator from Montana [Mr. MURRAY] by the amendment which he himself had offered.

Mr. TUNNELL. Yes.

Mr. BARKLEY. No further amendments have been offered to the bill, as I understand, because they could not be offered. Therefore, there have been no additions to the bill. So far as the Kilgore bill is concerned, it is now in the form of a clean print of the language presented up to the present time. I suppose that the George amendment was printed in a separate form.

Mr. TUNNELL. Where is the print? I should like to know.

Mr. BARKLEY. It is on our desks. It has the name of the Senator from Georgia upon it as an amendment to Senate bill 2061.

Mr. TUNNELL. I have a copy of an amendment intended to be proposed by Mr. GEORGE to the bill (S. 2061). Was that amendment offered?

Mr. BARKLEY. I am not certain whether it was actually offered.

Mr. TUNNELL. Even our leader does not know.

Mr. BARKLEY. I believe that it has been offered. I am not supposed to know any more about printed copies of amendments and bills than is any other Senator. We can all read, I presume.

Mr. TUNNELL. We can all read, but we must first have something before us to read.

Mr. BARKLEY. I believe that the Senator will find that the Kilgore-Murray bill is now in a clean printed form, and that the George amendment is in a printed form. I understand that no amendments to either of the amendments have been agreed to, and no amendment may be offered until one or the other of the bills has been disposed of because such an amendment would be in the third degree.

Mr. TUNNELL. The Senator from Georgia offered some amendments, but I do not know what they are.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. GEORGE. I shall be very happy to assist the Senator if I can do so. The Senator from Kentucky [Mr. BARKLEY] has correctly stated the situation. The Murray-Kilgore bill is in final form unless further modifications should be made before the vote is taken. I introduced Senate bill 2051. Then I offered an amendment to the Murray-Kilgore bill, which is in the form in which it will be when the vote is taken, with the exceptions of one or two minor changes to which I shall direct the attention of the Senate before the vote is taken. The amendments are all here. Actually, there are only two amendments embraced in the pending measure before the Senate. One, in substance, is the Military Affairs Committee bill, and the

other is the amendment which I offered to that bill.

Mr. TUNNELL. Where is the amendment the Senator offered to the bill? That is what I am trying to find out. Is the proposal of the Senator the amendment beginning with the words "Sec. 102 (a) There is hereby established the Office of War Mobilization and Reconversion"?

Mr. GEORGE. Yes; that is exactly correct. The print of August 8, 1944.

Mr. TUNNELL. There are 15 pages of that amendment.

Mr. GEORGE. That is offered to the first amendment offered by the Senator from Montana. The Senator from Montana split the Military Affairs Committee bill and offered three titles of it to precede the bill reported by the Finance Committee. Then subsequently he offered an amendment to follow the bill which was reported by the Finance Committee. A motion was not made to strike out the bill reported by the Finance Committee which is before the Senate; but he did offer one general amendment which had to be divided into parts. The amendment of August 8, 1944, which the Senator has on his desk, is the amendment offered by me to the first amendment of the Senator from Montana.

Mr. TUNNELL. Is that all that is offered as an amendment by the Senator from Georgia?

Mr. GEORGE. That is all I have offered as yet to the first amendment of the Senator from Montana, but if my amendment should be adopted it would be necessary to perfect the two remaining titles of the bill. However, there is no substantial difference between the Murray-Kilgore bill and what I am prepared to offer. There really would be no conflict, except it would be necessary to make it conform to whatever is done with my first amendment.

Mr. TUNNELL. I have seen the amendment to which the Senator refers, but I understood the Senate, in response to a question, to say that he had offered a part of it, and I did not know what he meant by that.

Mr. GEORGE. What I meant, as the Senator will see, is that I had prepared an amendment to the Military Affairs Committee bill and had it printed and it was on the desks of Senators the first day the Senate met to take up this bill, which was Tuesday; but when the Senator from Montana found it necessary to split his amendment, which was the Military Affairs Committee bill, I then had to split my amendment. That was all that was meant by my statement. But the substance of the Military Affairs Committee bill is now before the Senate in the first amendment. After the Senate has passed on the first amendment offered by the Military Affairs Committee, to which I have offered an amendment, the proceeding so far as the remaining titles of the bill are concerned will be largely pro forma in any event.

Mr. TUNNELL. I think, as was said by the Senator, that I am now in the position to make a speech on the question.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. AIKEN. I wish to say that the reason I raised my objection to hasten-

ing this bill through in such a short period of time was that it appeared to me that both the Murray-Kilgore bill and George amendment, which was offered this week, are discriminatory against American agriculture, and our agricultural interests have had no opportunity to study them, to send copies to their directors or to discuss them in any way or to suggest proper amendments which would make the measure nondiscriminatory.

Some very good amendments have been suggested to me, but they are far from complete, and I know we cannot enact fair and suitable legislation or rewrite laws here on the floor of the Senate in a satisfactory manner. For instance I think it will be found that both bills give preference to small industry in allocating materials; yet it seems to me that agriculture should have an equal opportunity and should be accorded equal preference in the allocation of material during this period and the period to come.

It will be found that in the Retraining and Reemployment Policy Board which is set up in both bills the Department of Labor, the Federal Security Agency, the War Manpower Commission, the Selective Service System, the Veterans' Administration, the Civil Service Commission, the War Department, the Navy Department, and the War Production Board are included, but the Department of Agriculture is absolutely left out in both bills.

It will also be found in both bills that the Administrator "shall confer with existing Federal, State, and local agencies and officials in charge of programs relating to vocational education, vocational rehabilitation, training in industry, and other similar programs and secure the expansion of such programs."

Agriculture is left completely out of that. It may be that either bill could be amended on the floor of the Senate, but I think we would make a botch of it if we should undertake to do that. The only proper way is to send one or both bills back to the committee and have them rewritten so as to be fair to all and not discriminate against a large section of our population.

Mr. TUNNELL. I agree with the Senator and voted affirmatively on his motion yesterday. I think that there is discrimination. I remember very distinctly that when depression came in this country a few years ago agriculture was hit just as hard as any of the other branches of American industry.

Mr. AIKEN. I wish to say that, in view of the present enormous production of American agriculture, if depression should come to this country that industry will be hit first and hardest of all the industries of our national economy. I tried to point out yesterday what happened to milk of which the farmers had increased their production at the request of the Government. They have also increased the number of cows and cattle 20 percent in less than 3 years, at the request of the Government, and yet they would be left holding the bag if the national income and the national wage scale should be lowered, and it would lead to distress among the agricultural

population. Yet, I cannot find anywhere in either bill where the slightest consideration is being given to the agricultural interests.

Mr. TUNNELL. I remember very well when corn in this country sold for less than 50 cents a bushel and when eggs sold for less than 12 cents a dozen. I do not see why the farmer is not hit just as hard as any other branch of industry, and why he is not as necessary as any other of the active participants in American industry?

What I want to call attention to in particular is that we came here I understood for the purpose, very largely, of preparing for after-the-war conditions, although perhaps it was expected that we would also aid in the war, and yet the bill as presented, at least one bill, is practically entirely for the purpose of amending the Social Security Act. I think that may be one thing which should be done; I do not know that I disapprove it; I do not know that it is at all wrong, but certainly it is not a comprehensive plan to take care of the readjustment period, and no one can claim that it is. That is the measure placed before us when we returned here. Since then there has been an amendment offered. I have not had a chance to go over the amendment in connection with the bill and I do not think the majority of the Senators have.

Reconversion is not a joke, and it is not something which should be lightly pushed aside. The American people are saying that we are not prepared for peace any more than we were for war, and we are going to amend the Social Security Act so that the various States will be guaranteed sufficient funds to put into effect the Social Security Act.

We have had all sorts of questions as to the difficulties which could be raised, the jealousies which could be aroused. We have had State versus Nation. There are those who want us to believe that the States are losing their position. That is a most absurd suggestion. We hear such expressions as "our economy," "the American way of life," "free enterprise," "States' rights." The State right that is being insisted upon most generally is the right of the State to come to Washington and get a share of the appropriations made by Congress. That has been my observation, and I think it is accurate. That is the right the States are insisting upon, and it is a right which they all have and are exercising. The Government is not taking away the rights of the States. The States are begging the Nation to help them on every imaginable excuse.

Then we have heard the suggestion of capital versus labor. I do not know how we are to adjust post-war difficulties by arousing such antagonisms. I heard one Senator say that there must be an employer in order that there be an employee, but it goes further than that. There must be an employee before there can be an employer. It takes both, and I would not vote for either of these bills if I thought it was against the employer or the employee. I would not vote for either of the bills if I thought it was against agriculture. I would not vote

for either one of them if I thought it was against labor.

When we had a depression, each of the various elements of America was hit, and hit hard. Today we hear sniping criticisms of every suggestion that is made for after-the-war economy, everything that is suggested for the benefit of anyone, not alone of labor.

Senators make the statement that this is a C. I. O.-backed bill. If that were the only backing it had, that would be one situation, but I cannot tell a C. I. O. man when I see him walking along the street; I cannot tell him when I see him go into a booth to vote; I cannot tell him when I see him go into a shop, unless I know something about the shop. He is a human being. Here is an attempt to divide labor. It is said this is a C. I. O. bill. When a man's children are starving, I do not think it makes much difference whether he is a member of the C. I. O. or the American Federation of Labor, or is a manufacturer, a farmer, or anything else. I do not quite understand this attempt to arouse every element in America against every other, because if we do not have this after-the-war adjustment, unorganized labor is going to be hit just as hard as is organized labor.

I saw figures a few days ago showing that there were 54,000,000 people employed in the United States. I think those 54,000,000 people are entitled to representation here. If I am to be sneered at because I in some way attempt to represent any part of those 54,000,000, I welcome the sneers. The American people are watching this proceeding, because we are told that there is an element in the Senate of the United States attempting to aid labor. I do not know about that. I do know that if labor is not aided, and if some sort of a depression hits America, it is going to hit other elements, just as well as labor.

We are told that this is not according to the theory of unemployment insurance, that there should be no distinction between the amount received by a man who has two children and the one who has one, or the man who has three children and the man who has none. I do not understand that at all. I am not greatly concerned as to whether this is a relief measure or an insurance measure, or what it may be. I am concerned that America be prepared for after-the-war readjustment. I am concerned that the American people shall know that we in the Senate are interested in this great problem, that we are interested in preparing for peace.

Oh, we are told, we are not ready for peace any more than we were for war, and it is astonishing to see what is brought forward to prove that the bill presented is not a workable bill. I do not know what is in the amendments of the bill of the senior Senator from Georgia [Mr. GEORGE], but so far as I can see, there is nothing of consequence in the bill itself except an amendment to the Social Security Act, and that social-security proposition leaves it entirely to the States whether they desire to borrow the money or accept the advancements to help them carry out the provisions of their social-security acts. We are never

going to have any uniformity of social security in the United States if we rely on 48 different legislatures. We are going to have 48 different standards of living; we are going to have 48 different conceptions of what social security should do for the people who are to be benefited.

I suppose this is a good time, just before the election, to talk about States' rights, to talk about someone running off with the rights of the American voter.

Mr. President, today I heard a Senator speaking of New Deal socialism. He did not say a word about Republican starvation. He did not mention the other side of the question. And earlier today I heard the colloquy which took place between the Senator from Maryland [Mr. TRYBINGS] and the Senator from West Virginia [Mr. KILGORE]. The Senator from Maryland asked, "Where is the money coming from? Suppose we make the appropriation, and there is not a nickel in the Treasury?" In heaven's name, suppose a man is the father of four children and has no work, and his children are crying for bread. Where is the money coming from? That question then is just as important to that man and to his wife, the mother of his children, as it is to the rest of America.

Mr. President, perhaps the Murray-Kilgore measure does not provide the proper solution; I do not know that it does; but I do say that to ask where the money is to come from is to take a trifling attitude on such a serious matter, when we think of the conditions which existed in this country just a few years ago, when we think of the millions of unemployed centered in the great cities by reason of the location there of American industry, when we think of them being without jobs, when we think of a father in his agony walking the streets to find something for his children to eat. When a man is in that condition he does not care whether what he receives is called relief or insurance or whatnot.

The PRESIDING OFFICER (Mr. McKELLAR in the chair). The time of the Senator on the amendment has expired. The Senator is now recognized for 30 minutes on the bill.

Mr. TUNNELL. Mr. President, the position we are in with reference to this bill is that of being under obligation to the people of the Nation to prepare for conditions which will exist after the war. The people who will be suffering then will not say to us, if we fail to pass the Murray-Kilgore measure, "We know you were justified. You thought that the bill was framed on the basis of the wrong principle. You thought it was a fight between capital and labor. You thought it was a struggle between organized and unorganized labor."

Mr. President, that is not the question involved. It is not a question even between property and the individual, as I see it. It is a question of whether Congress has the industry, the intelligence, and the patriotism to prepare for conditions which will face the Nation after the war.

Perhaps some may think that the question involved does not amount to a great deal. Perhaps some may think that it

is something which will be forgotten; that the principal object now is to win an election. I do not think it is. I do not think the American people should be treated with such indifference at such a time as this.

The present war is of such vastness, and such tremendous expenditures must be made to carry it on, and such a great number of persons are engaged in it, that a terrible readjustment will be necessary when it is over. The American people have elected you and me to do our part to prepare for the grave situation which is bound to arise after the war.

Mr. President, some say that we are pessimists; that there is not going to be any period of unemployment after the war. There was a period in 1907 after the Spanish-American War when one could not get a check cashed. There was a period in 1873 after the War between the States when there was a panic all over the Nation. There is going to be a readjustment in America after this war is over, and it is our duty, regardless of whether we are Republicans, Democrats, Populists or what not, to prepare for that readjustment.

I do not know that there is anything so very wrong about the George bill. I do not know what the amendments to it are. Certainly I respect those individuals who have brought out the Murray-Kilgore bill with an honest intention to do something for the American people when misfortune strikes them. I do not know that it is based on absolutely the correct theory. I do not say that the framers of the measure have used the best methods in framing it. Perhaps the amount provided by it is based on too high an estimate as to what should be paid. I do not know. It does not seem so now, though perhaps it is. But, Mr. President, I ask those who criticize it: What is their answer? What is the proposal of those who oppose any amount of money being paid or promised to be paid? They oppose the Murray-Kilgore bill; what do they favor? What is their solution, what is their answer, and what will be their answer to the weeping mothers and fathers when serious unemployment occurs?

Mr. President, I sympathize entirely with those who want to economize in the expenditures of the Government. I think they are right. I think we are under obligation to economize, and, as I have said, perhaps an unemployment compensation payment does not provide the right answer. But what is the right answer? How are we going to continue employment? What is there in the George amendments which will put food into the mouths of Americans when misfortune comes, and what is the answer to those who will ask at that time for the answer?

Mr. President, we are told that the Murray-Kilgore bill is not written according to the right principle. Perhaps that is true. But what is the right principle? What is the answer of those who criticize the bill? Do they say that there is not going to be any depression after this war, that there is not going to be any unemployment? Is this their answer to

America's labor, to America's manufacturing industry, to America's employers, to America's employees, to America's agriculture?

Is this the bid of Mr. Dewey for labor? The Republican newspapers say that Mr. Dewey is bidding for the vote of labor. What is his bid? Is his bid to refuse even a serious consideration of the worker's condition when employment fails? What is the answer? I suggest to Senators on this side of the Chamber who listen to the story of States' rights from the other side that the cry of States' rights comes from the other side only when they do not control the Federal Government. When they control the Federal Government, we have men like Thaddeus Stevens. When they control the Federal Government, we have Force bills, antilynching bills, and even worse measures. Let me say to Senators on this side of the aisle that States' rights will then be forgotten by their present allies.

I have watched the criticism of the special-interest-owned mediums of information. When they do not control the courts, the courts are to blame. The Supreme Court becomes the object of abuse. I went to California, and while there attending a meeting of the American Bar Association, I listened to the president of the association attacking the Supreme Court of the United States. Why? Because the elements which he represented apparently did not have great influence on its decisions. When the interests do not control Congress, and think they have great influence with the Court, then the Congress is to blame. When they control the Presidency, as in the days of Harding, Coolidge, and Hoover, then everyone else except the President is to blame.

Let me say to my friends on the other side of the aisle that the situation which I have described will again face the American people if they do not watch out. It faced them after the administration of Herbert Hoover, and they have not yet recovered from it. It will face them after this war is over, if the party of those on the other side of the aisle should by chance control the Government. I say to them, Either say what you think should be done to prevent this catastrophe, or refrain from criticising those who are trying to prevent it. I do not know what their answer may be. The American people do not know what their answer may be. They cannot find out from their candidate for President. He is said to be "under blankets." I do not know just what that means, but I think that is something which is done to a race horse before the race. My own opinion is that the American people are not so much interested in how fast this race horse can run as they are in what direction he is going after he is geared. Is he going to aid the American people in the solution of their problems? Are my friends on the other side of the aisle representing him today? Is this the answer of the Republican Party to the problems of labor and industry? Is it the answer of those on the other side of the aisle? Is it their contention that there

will be no depression, and that no readjustment will be necessary?

I receive a great many letters and telegrams. It may be said that they come from the C. I. O. Some of them do. Here is a letter that did not:

Months ago the American Federation of Labor called upon Congress to enact legislation to deal with the problems of war and the transition period. After long and careful study, the Senate Military Affairs Committee has reported out the Kilgore-Murray-Truman measure.

By its action on this legislation the American people will judge whether Congress is making reconversion plans for full production or abdicating its responsibility and gambling with economic chaos.

The only reason we did not have economic chaos in the last administration was that nothing at all was moving.

We hope that the false issue of States' rights will not be permitted to obscure the interests of all groups in the American Nation.

This part is underscored:

The American Federation of Labor earnestly requests that you do everything in your power to secure the immediate passage of the Kilgore-Murray-Truman bill (S. 2061), without any weakening amendments.

This letter is signed by William Green. It represents the viewpoint of the American Federation of Labor. William Green is a human being, a very active man, and he is entitled to representation. His organization is entitled to have its views presented to the Senate.

Here is a letter from a humble woman:

Just a request, but a very earnest one, that you help to see that the Kilgore bill is passed.

Very sincerely yours,

HELEN HUTCHINSON.

This letter comes from Seaford, Del. I do not know the lady.

Here is one from the C. I. O.:

Urge you to work for and support Kilgore reconversion bill which is only bill that provides efficient means whereby industry, labor, agriculture, and public can efficiently work together both nationally and locally to solve reconversion problems.

That is from a C. I. O. union. It has the right to present its views.

Here is another one. I do not know whether this is from a C. I. O. organization or not:

We of Local 40 urge you to vote for and use every effort at your command with your colleagues for the passage of the Kilgore bill.

The telegram is signed by H. P. Heller, recording secretary of Local 40, Industrial Union of Marine and Shipbuilding Workers of America.

Here is one from Philip Murray. I shall not read it. It is a long letter. I believe it was placed in the RECORD a day or two ago.

Here is one from Ben Stahl, executive secretary of the Newcastle County Industrial Union Council. He says, speaking of the Kilgore bill:

We urge you give it your support by speech and vote.

Here is a telegram from the United Steelworkers of America, asking for support of the same bill.

Here is one from a man by the name of Luhrsens, asking for active support of Senate bill 2061.

I read now a telegram which has come to me from Mr. Gerrish Gassaway, secretary-manager of the Chamber of Commerce of Delaware, Inc., at Wilmington, Del. His telegram reads as follows:

Urge your support of unemployment compensation provision of George bill (Senate 2051) now under consideration by Senate. This bill reaffirms States' rights in the field of unemployment insurance. Urge your opposition to unemployment compensation provisions in Kilgore bill (Senate 1893) establishing Federal system of unemployment benefits.

So far as I recall, Mr. President, that is the only communication I have received from my home State requesting that I support the George bill. As I have said, that telegram came from the secretary-manager of the Chamber of Commerce of Delaware, Inc., at Wilmington, Del.

Under these conditions, while I am not satisfied that the Murray-Kilgore bill would do all its sponsors think it would do, while I am not satisfied that it is the best bill which could be written, yet I am satisfied, as I have said before, that it is an honest effort on the part of the Committee on Military Affairs to get ready for the problems of the period after the war.

I shall not attempt to compare the two bills word by word or paragraph by paragraph. I do not subscribe to the statements made earlier today by the senior Senator from Vermont [Mr. Austin], when he said the two bills were based upon different theories. I do not think they are at all. I think the two bills are almost identical, except for the provision in the Murray-Kilgore bill as to the amounts which are to be paid. Such a provision is omitted from the George bill. If the George bill is to be amended so as to include such a provision—and I have understood it is to be so amended—the two bills will be practically identical. In fact, I have been told by members of the two committees that the thing which has prevented them from getting together and agreeing on the same bill is the existence of the provision with reference to the payment of benefits or insurance. If the amounts so provided for are too high, lower them. If they are too low, raise them. If none should be paid, and if there is some other way to prevent unemployment, let us take that way. I do not know that the payment of money is the solution. So far as I am personally concerned, I would listen with a great deal of interest and encouragement to any proposition made by any Senator on either side of the aisle which would have for its purpose the adjustment of conditions when the war is over and when the inevitable difficulties arise.

Every employer wants to prevent the occurrence of such a condition. It will not benefit the employer to have his mills shut down by a depression. It will not benefit the banker to have the business interests of the Nation at a standstill. Yet it seems to me that in this debate

we have scarcely dealt with the problem at all. Unfortunately, the discussion has turned to a political line. But this question is above politics, and it is worthy of a better consideration than a political one. The problem is one which affects too many persons. The problem of taking care of conditions after the war is a tremendous one. Of course, if there is never any depression or any unemployment, no one will be happier than the employers. They will be happy. Likewise, the employees will have no complaint; and all will be well. But suppose there is a period of unemployment, as I believe there will be. Then are we preparing ourselves for that time?

Mr. President, some say that if we let unemployed persons have any money they will not work. On the same theory, I suppose a person should not be able to accumulate enough money to be able to buy a home, he should not be allowed to have a bank account, because he will not work. The theory is that the bill will cause unemployment and will prevent the establishment of the very condition we hope to establish as a result of the operation of the bill. If a person will not work when he has property, that is a great indictment against the vast majority of the American people. I have not found that it works that way.

I am interested in a small bank. I have watched its deposits grow. We were told that people would not save their money. The section of the country in which that bank is located is not one in which great industrial establishments are to be found. But those bank deposits have multiplied by four, and they have largely come from average men and women. The American people are saving their money. The American people are putting their money away.

Mr. President, it is said that the bill will give some insurance to the man who has a home and has money in the bank. If there are those who do not want that man to have anything, let them propose to amend the bill. I am principally interested in keeping industry moving, because I know that when men are out of work we will all be hit. I know that the last time we had widespread unemployment my own receipts fell off to about one-half of what they had been prior to the depression. I know that many other persons have had similar experiences.

Under these conditions a real problem faces the American people. When a depression hits us every element and branch of industry are affected. If we take that situation into consideration, should we not do all we can do? It will not do any harm for Congress to prepare for the worst, even though it never occurs. At least we will show that we appreciate our position and our responsibility and that we are interested, not alone in the laborer, not alone in the farmer, not alone in the manufacturer, but in America, its great interests, its great future, its great possibilities. Let us drop all petty considerations and be Americans.

Mr. MALONEY. Mr. President, I should like to ascertain whether it is in

order for me to make a motion to recommit the bill.

The PRESIDING OFFICER. Such a motion is in order.

Mr. WHITE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Maine?

Mr. MALONEY. I yield.

Mr. WHITE. Let me inquire whether, if a motion to recommit is to be made, the absence of a quorum should not be suggested.

Mr. MALONEY. I am willing to have that done, if the Senator so desires.

Mr. WHITE. It all depends on whether the Senator is going to make such a motion.

Mr. MALONEY. I am going to make the motion.

Mr. WHITE. Then, Mr. President, with the permission of the Senator from Connecticut, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Green	Revercomb
Andrews	Guffey	Reynolds
Austin	Gurney	Robertson
Bankhead	Hatch	Russell
Barkley	Hawkes	Scruggs
Brewster	Hayden	Shipstead
Brooks	Hill	Stewart
Buck	Jackson	Taft
Burton	Johnson, Calif.	Thomas, Utah
Butler	Johnson, Colo.	Tobey
Byrd	Kilgore	Truman
Capper	Langer	Tunnell
Caraway	McClellan	Tydings
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Mo.	Maloney	Wallgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Danaher	Millikin	Weeks
Davis	Moore	Wherry
Downey	Murray	White
Eastland	O'Daniel	Wiley
Ellender	O'Mahoney	Willis
Ferguson	Overton	Wilson
George	Pepper	
Gerry	Radcliffe	

The PRESIDING OFFICER. Seventy-six Senators have answered to their names. A quorum is present.

Mr. MALONEY. Mr. President, the bill under consideration, and more particularly the complicated amendments suggested thereto, have hurriedly come before most Members of the Senate. So it does not seem to me that a sufficient opportunity has been afforded to all Members of the Senate to give careful and studied consideration to the proposal which would place a heavier burden upon the people of this country than any proposal which we have heretofore considered excepting that involving the cost of war itself.

I presume that many Members who are present understand the bill and all of the amendments. I must confess that I am not yet in that category, Mr. President, and I have some doubt about it with respect to other Members of the Senate.

What we are attempting to do is to write a bill of tremendous magnitude on the floor of the Senate. Amendments in great number have been presented within the past few days. Within the

past hour vigorous attempts at compromise have been made off the floor. One of the proposals goes so far, in my judgment, at least in its original form, as to present an absurdity. The other proposal, in my opinion, does not go far enough. I do not believe it will be possible to bring about a compromise here on the floor of the Senate under the existing excitement and confusion, and because of the misunderstanding which I believe prevails. Because it is a matter of such great importance to all the people of the country, I am very hopeful that the Senate will agree to recommit the bill to the Finance Committee in order that it may have further study and that in an effort to compromise the committee members may give careful consideration to any suggestions which may be made.

Under the present circumstances I do not believe it is possible properly to dispose of the bill today in the Senate, and I cannot see any wisdom whatever in attempting to force the bill through the Senate tonight or tomorrow. I have grave doubt that, regardless of early action here in the Senate, we could obtain early action on the entire proposal by both branches of the Congress.

I think it would be a trespass upon the intelligence of the Members of the Senate to try at this time to give further reasons as to why the bill should be given further study. While the debate has been confusing, it has been enlightening as well, Mr. President, because it has been clearly shown, it seems to me, how complicated is the proposal on which we are asked to hurriedly vote.

Mr. President, I shall not impose further on the time of the Senate. I now move that the bill under consideration be recommitted to the Finance Committee, and on that motion I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, before the vote is taken on this motion I wish very briefly to express my reasons for opposing it.

The questions which now pend before the Senate are not as complicated as we are led to believe. Notwithstanding all the verbiage and all the debate, the issue is very clear. Upon the one side we have a proposal to include uncovered Federal employees according to the standards now in existence under the laws of the various States. On the other hand we have a proposal to include not only the uncovered Federal employees but all employees, by supplementing the State provisions with an appropriation out of the Treasury of the United States, to be added to the State payments and to be administered by the States.

That is a very simple proposition; it is not complicated at all; and it does not involve the other titles to the proposed legislation dealing with reconversion itself, which is a separate proposition, upon which, in my judgment, there are no fundamental differences between the two bills which are now pending before the Senate. Either one of them is workable. One goes a little further than the other, but they are both workable, and it is for

the Senate to choose between those two titles or three titles involving physical reconversion and all related subjects. The main controversy here is over the question of unemployment compensation.

This matter has not been thrust before the Senate with the suddenness we are led to believe. The Committee on Post-war Economic Policy and Planning, which has been in existence for more than a year, held hearings and considered this whole subject for many weeks and even months, and although not a legislative committee, it proposed legislation. It brought into the Senate and introduced under the sponsorship of the Senator from Georgia [Mr. GEORGE] and the Senator from Montana [Mr. MURRAY] a bill known as the George-Murray bill, dealing with reconversion and all its related subjects. That was done prior to the recess of Congress on the 23d day of June.

The Kilgore-Murray bill, or the Kilgore bill as it was then called, was also introduced by the Senator from West Virginia before Congress recessed. That bill was referred to the Committee on Military Affairs, as was also the George-Murray bill to which I have already alluded. All these bills were printed and were available to Members of the Senate who desired to take them home with them and study them while Congress was in recess. How many Senators availed themselves of that privilege I do not know. I know of one who did; I am not speaking for any other Senator. So that both those bills carrying the two theories, were available in June to be studied, and the hearings were printed and were also available.

Mr. KILGORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from West Virginia?

Mr. BARKLEY. I yield.

Mr. KILGORE. I should like to remind the distinguished leader of the majority that some 3 weeks before the recess provisions of those bills were called up on the Senate floor when the contract termination bill was under consideration and were discussed at some length. Then speedy action was promised on the other provisions.

Mr. BARKLEY. I was coming to that. I should probably have taken that up before I mentioned the recess.

When we were debating here whether we would consider the contract-termination bill separately from other provisions of proposed post-war legislation complaint was made then that we were dealing only with one phase of this legislation; that reconversion was involved, that surplus-property disposition was involved, and the human element incident to unemployment compensation was likewise involved. Complaint was made that we were taking up only contract termination, leaving these other matters for future consideration. The Senator from Georgia, as chairman of the Special Post-war Economic Policy and Planning Committee, the Senator from Michigan [Mr. VANDENBERG] as a member of that committee, and I as a member of that com-

mittee also, and in my capacity as majority leader, pledged the Senate of the United States, insofar as we could pledge it, to a speedy consideration and prompt action on legislation dealing with these subjects. We did that here on the floor. If any Senator doubts it, I will cite the RECORD of the Senate of the United States on the 3d day of May of this year, three months and a half ago. We were not ready at that time to take up the other phases of legislation dealing with post-war conditions, and therefore we felt obligated to promise the Senate speedy consideration of the other measures. Based upon that obligation and that promise and that pledge, the Senate went ahead with contract-termination legislation, and it was enacted and signed by the President before the Congress recessed.

I think I ought to say that the Committee on Military Affairs appointed a subcommittee to consider phases of this legislation prior to the recess, and the subcommittee gave consideration to the subject of reconversion and also unemployment compensation prior to the recess, but took no action upon it. They did have some hearings, as I recall, and those hearings were printed and were available.

We came back here following the recess, and in view of the fact that the war on all fronts was going so well, we felt we could not any longer delay the exercise of the foresight which we felt we ought to exercise in preparing for peace, so that when the time came, when the last shot was fired, we would not be as unprepared for peace as we have always in the whole history of this Nation, been unprepared for war when war came.

All these bills were pending before the Military Affairs Committee when we came back here. The Senator from Georgia, chairman of the Finance Committee, lifted out of the George-Murray bill the provisions regarding unemployment compensation, at least in part, such portions of them as would not involve a tax on other employees who would be covered, either a pay-roll tax on employees or on employers, such as is now being collected to cover those who are under the social security law. It was necessary to avoid any conflict between the House and the Senate on the question of taxation. We have always known how meticulous the House is—and I do not criticize their attitude—in observing the provision of the Constitution which gives them original jurisdiction of all laws raising revenue, and the social security law does raise revenue. The Finance Committee, I think unanimously, took the position that they could not impinge upon the authority of the House of Representatives that the Senate could not trespass upon that constitutional provision, but that, if we could pass some law and send it to the House, they then could exercise their original jurisdiction to broaden it as much as possible and even include additional taxes in order that it might be enforced and the obligations carried out.

I voted to report the George bill from the Committee on Finance. I realized then, as I do now, that it was inadequate.

I think the committee was of the unanimous opinion that it was inadequate, so far as that is concerned; but it was as far as the Finance Committee could go, because they could not originate a tax that would help to enlarge social security under the present terms of the law. I myself stated in the committee before the vote was taken that I did not believe the bill was adequate and I thought ultimately we would have to come to a national standard for unemployment compensation, just as I believed then, and believe now, that some day we will have to come to a national standard of old-age pensions. I have always believed that, and still believe it. We may not be ready for it now, but, in my judgment, it is utterly impossible to build up or maintain a social-security system in this country by having it limited to 43 watertight, airtight compartments, and rely upon those compartments to deal uniformly with the problem of unemployment and old-age assistance. I believe it will be just as impossible to get uniform legislation among the States on that subject as it has been to get uniform legislation on the subject of divorce, although we have been advocating it in this country for 50 years. But that is beside the question.

We have the George bill here and we have the Kilgore-Murray bill. In the meantime the Senator from Montana [Mr. MURRAY], having decided that the George-Murray bill, introduced prior to the recess, did not adequately deal with the subject, and did not comport with his own judgment on the subject, on further consideration joined the Senator from West Virginia in the Kilgore-Murray bill, as it now is offered, and as it was reported by the Committee on Military Affairs, I regret to say by a partisan vote. We have dealt in the Senate, and in the Congress with war legislation in a nonpartisan way. The proposal before us is war legislation, just as much so as the draft law was war legislation. It is as much an incident of the war as any other part of our legislative program, and I deplore and regret the fact that out of the Committee on Military Affairs even a post-war measure was voted by a partisan division among Democrats and Republicans.

Mr. MALONEY. Will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MALONEY. I should like to have a moment of the Senator's time, if I may, to say that I, too, am anxious for haste, and I think the way to bring about speed is to recommit the bill for careful consideration, and I hope Senators will not leave Washington until a bill is passed.

Mr. BARKLEY. I wish to make a prediction. If the Senator's motion to recommit the bill is adopted by the Senate, there will be an exodus of Senators out of Washington on every train that leaves the city.

Mr. MALONEY. I say to the Senator that I will not be in the exodus.

Mr. BARKLEY. I hope not. Already I am being asked by Senators on the floor "When can I leave town?" and so far as I am concerned, I am advising them that they should not leave town

at all, and that those who are away should return.

Mr. MALONEY. Will the Senator indulge me a moment further?

Mr. BARKLEY. Certainly. I am not impugning the sincerity of the Senator. I realize that he believes that his motion will bring about speed. I do not agree. I think it will bring about indefinite delay. I think the issue involved here must be finally fought out on the floor of the Senate, and it may be that the legislation must ultimately be written in conference between the two Houses. If it has to be written in conference, the sooner we can get something into conference the sooner we will have legislation, and the sooner we can show that we have not been negligent in our duty in looking far enough ahead to bring about some kind of post-war legislation to deal with peace, as well as war. I yield further to the Senator.

Mr. MALONEY. I should like to point out that I have heard that when this matter was acted upon in the Committee on Military Affairs it was pretty largely decided by absentee votes, that proxies were used, and that some of the Senators who voted by proxy were not familiar with the proposal which came from the committee.

Mr. BARKLEY. I am not in a position to say anything about that. If it be true that Senators in the Committee on Military Affairs voted by proxy, it was not an unaccustomed procedure. In all committees absent Members are voted sometimes by proxy, if they are absent and cannot return, and if they give their proxies to Members who are present, even by telegram, indicating to the committee how they desire to vote. That has happened in the Committee on Banking and Currency, of which the Senator from Connecticut and I are both members. It has happened in all committees, and frequently happens. Whether it happened in the Committee on Military Affairs I do not know, for I am not a member of that committee.

Mr. MALONEY. I agree with the Senator that it is oftentimes done, but the practice is abused on occasion. I have been informed by more than one member of the Committee on Military Affairs that he was voted by proxy without an understanding of the bill. I think that is a bad and a deplorable situation.

Mr. BARKLEY. If any Senator who was a member of the Committee on Military Affairs voted by proxy in favor of the bill, I would rather hear him move to recommit the bill than to hear someone do so who was not a member of the committee, who by inference is criticizing what happened in the committee. No such motion has been made by a member of the Committee on Military Affairs, whether he was present or absent when the bill was voted out.

Mr. KILGORE. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. KILGORE. I should like to say, in the absence of the chairman of the Committee on Military Affairs, that the proxies were about evenly divided. There was a quorum present, and more, who actually voted.

Mr. BARKLEY. I understood that a quorum of the members of the committee was actually present.

Mr. KILGORE. A quorum and more, one more.

Mr. BARKLEY. More than a quorum was present in person.

Mr. KILGORE. The proxies were about evenly divided.

Mr. BARKLEY. But that is beside the question. I do not believe we will speed legislation by recommitting the bill. If we recommit the bill to the Finance Committee, the Kilgore-Murray bill will still be on the calendar and subject to be taken up on a motion on the floor of the Senate, and we would have to recommit that bill to the Committee on Military Affairs to get the measure back in the committee. We would still have the Finance Committee dealing with the one part of it, and the Military Affairs Committee dealing with another part of it, and if they reported again, they might come in again with different bills, and we would have the same situation we now confront.

Mr. WHITE. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. WHITE. As I understood the motion of the Senator from Connecticut, it was that the pending bill be recommitment to the Committee on Finance. I take it that the pending bill is the bill made the unfinished business of the Senate, that is, the George bill, so-called. Is it the Senator's understanding that a motion in that form would carry with it all the amendments which are pending to the bill, that is, the Murray-Kilgore amendment, the George amendment to the Murray-Kilgore amendment, and all the other amendments? In other words, would the entire subject matter, and all the legislative proposals pending, either as substitutes or amendments, follow the main bill back to the Committee on Finance?

Mr. BARKLEY. I would rather the Chair would answer that question. I have certain views about it, but I would rather the Chair would answer the question. The question is as to whether the motion to recommit the pending bill to the Committee on Finance would carry with it all amendments which are now pending to the bill.

The PRESIDING OFFICER (Mr. McKellar in the chair). If the George bill is recommitment it will go back to the Committee on Finance, and the action of the Senate in adopting amendments would be nullified, and the bill should be taken up anew.

Mr. BARKLEY. No amendments have been agreed to thus far.

The PRESIDING OFFICER. Except a few perfecting committee amendments.

Mr. BARKLEY. They are modifications of the amendment to the bill which is the pending business.

The PRESIDING OFFICER. They are committee amendments to the bill itself.

Mr. BARKLEY. They would go back, but the Kilgore bill itself would not go to the Committee on Finance. In the first place, that committee has no juris-

diction, and the bill would still remain on the calendar. Action on the motion would not affect the status of that bill at all.

Mr. WHITE. I understood that the substance of a part of the Kilgore bill had been offered as an amendment to the George bill. What I was interested in ascertaining was whether a motion to send the George bill back to committee would carry with it, of necessity, all the pending amendments to the George bill. Of course, if that were true, then there would be presented to the Committee on Finance a matter which originated in the Committee on Finance, and a matter which originated in another committee, the Committee on Military Affairs, and was there considered.

Mr. BARKLEY. Undoubtedly, if that were the effect of adoption of the motion, it would mean that not only a measure of which the Finance Committee has jurisdiction would be recommitment to it, but a measure of which it has no jurisdiction would be committed to it also, insofar as the amendments were concerned. But that would have no parliamentary effect upon Senate bill 2061, which would be still on the calendar, and which could be taken up on a motion by any Senator.

Mr. WHITE. I understand that.

Mr. BARKLEY. Mr. President, I have taken more time than I had wished to take, but I felt like making this explanation, because I believe that not only would a recommitment of the bill not facilitate legislation or clear away any confusion which exists in connection with the issue, which I think is simple, but I think it would postpone indefinitely, without ample justification, any legislation upon the subject with which we are now dealing. Therefore, I hope the motion of the Senator from Connecticut will not prevail.

Mr. MALONEY. Mr. President, if I may have the permission of the Senate, I should like to modify my motion in order that it may read, "with instructions that the committee report back to the Senate not later than Monday, August 21."

Mr. VANDENBERG. Mr. President, I wish very briefly to assert my total agreement with the analysis of the situation made by the distinguished majority leader. There seems to be an implication here that the pending proposal, all three of them, are "shotgun" proposals which have been inadequately considered and inadequately born, and are inadequately supported at the present time before the Senate. I have been a Member of the Senate for 16 years, and I know of no legislative proposal in all that time which has had the lengthy, careful, scrupulous, and complete attention the pending propositions have received.

Behind the proposal submitted by the distinguished Senator from West Virginia [Mr. KILGORE] and the distinguished Senator from Montana [Mr. MURRAY] is at least 6 months' work, not only by a subcommittee, but by the full Committee on Military Affairs.

Behind the Finance Committee bill is the work of the George Post-war Economic Policy and Planning Committee, which has been going on for another 9 months. We have had hearings upon hearings. There never has been a subject before the Senate which has been so thoroughly heard.

The proposed legislation which is presented here has the original background of the Baruch report; it has the background of the studies of the Military Affairs Committee; it has the background of the studies of the George Post-war Economic Policy and Planning Committee; it has the background of the studies of the Finance Committee.

Mr. President, to my mind it is simply fantastic to suggest that that presents a situation as to which the Senate is not adequately informed.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Kentucky.

Mr. BARKLEY. I have in my hands one part of the hearings held before the Committee on Military Affairs of the United States Senate on Mobilization and Demobilization Problems, dated August 3 and 4, 1944. The volume which I hold in my hand, dated August 3 and 4, is part 10 of the hearings which have been held on this subject by the Military Affairs Committee, and all the hearings contained in parts 1 to 9 were held before the Congress of the United States adjourned on the 23d day of June.

Mr. VANDENBERG. The Senator from Kentucky is correct and I add that before Congress adjourned the last thing the Senate Finance Committee did was to sit for a week on unemployment compensation, and we heard witnesses from practically every State in the Union.

Mr. President, I do not know how a more complete record could be made. I do not know how one can ever expect or hope to obtain more earnest attention to the development of the record, the testimony, and the net result, than has been given upon one side of this argument by the distinguished Senator from West Virginia [Mr. KILGORE] and the distinguished Senator from Montana [Mr. MURRAY], and on the other side by the distinguished Senator from Georgia [Mr. GEORGE] and his associates. The record is complete. It could not be more complete.

This is what has happened, Mr. President: We have joined issue on the floor of the Senate in a controversy that has to be settled in the Senate. It never can be settled in a committee. It ought not to be settled in a committee. It should be settled by Senators in their seats answering "yea" or "nay" on the roll-call vote.

Mr. President, in my opinion this controversy can never be determined in committee. I have the greatest respect in the world for the distinguished Senator from Connecticut [Mr. MALONEY], who submits this motion; I know the complete good conscience with which he does it; but I respectfully submit to him, out of a rather intimate relationship with the whole problem for the past year,

that there is nothing to be gained by recommitment except the probability that the controversy has been postponed and reinforced to such a point that even though it be brought back to the Senate under the Senator's amendment to his own motion it means that there will be no legislation of this nature until after election, and, Mr. President, pray God, that means after the war in Europe is conclusively terminated, but God help us if the war in Europe is conclusively terminated before this Congress has concluded its obligation with respect to re-conversion legislation.

Mr. President, I hope the motion will be defeated.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield the floor.

Mr. MALONEY. I want to speak in the Senator's time. I do not intend to ask a question. I wish to make a brief observation.

Mr. VANDENBERG. I yield.

Mr. MALONEY. Lest the Senator from Michigan be misunderstood by any Member of the Senate, let me make it clear that I am not trying to avoid taking a position now. Let me say that if the bill is not recommitted I shall with great reluctance support the George amendment. I shall without reluctance oppose the Murray-Kilgore amendment.

I should like to add, Mr. President, that while the Senator points to the lengthy hearings and the careful study which has been made it has resulted in the most violent disagreement among Senators, and I express the fear now that unless the bill is recommitted for further calm, careful study, we are not going to have legislation until after the election in November, and I deplore that. I want haste. I realize the serious need which exists. But in my judgment we have got to give further careful, calm study to the subject before we can act intelligently. I am in entire disagreement with the views of the majority leader and the able Senator from Michigan, and I am very hopeful that the bill will be recommitted.

Mr. GEORGE. Mr. President, I do not wish to delay action on the motion. A similar motion was made by the distinguished Senator from Vermont [Mr. AIKEN] yesterday in the Senate. I do, however, wish to make a statement about the proposed legislation.

Shortly after the adoption of the resolution creating the Special Committee on Post-war Economic Policy and Planning, a study of the whole general question of war mobilization and demobilization was undertaken. It was my original plan and purpose to bring in one bill dealing comprehensively with all the different segments of that very broad and wide question. Then the question of committee jurisdiction arose both in this body and in the House of Representatives, and it was deemed wise to separate phases of the general problem into separate problems. It seemed necessary to do that if we hoped to get anywhere. But we made the studies, and we have gone at it in a rather backhanded way. Of course, logically, the first thing to do was to determine the administrative machinery for

the whole problem of mobilization and demobilization. But when the matter first arose on the floor it seemed necessary to take out of the bill then pending certain titles which covered immediately pressing problems, and separate them from the full problem.

This Congress has passed a bill dealing with contract termination, adjustment, plant clearance—a most important piece of legislation. It was passed first by the Senate. It went to the House. It has gone to the President and has been approved by the President.

Then, while not directly within the scope of the committees' studies and program, a G. I. veterans' bill was considered. That, of course, came out of the Senate Finance Committee. It was passed by the Senate. It was passed by the House, went to conference, and finally passed both bodies and became law. That bill deals in a comprehensive way with the education of the veterans, of the men and women in the armed services, with unemployment compensation for 2 years after discharge, loan provisions for the benefit of the soldiers, replacement in case they become unemployed, and other important questions affecting the soldiers.

Also there was pending in the Military Affairs Committee legislation to which the distinguished majority leader has referred.

When we came back here after the adjournment it was deemed wise, and I still think it was wise, to do something with respect to the Social Security Act itself, and to do something for the larger group of Federal employees who presently will become unemployed, or at least who are likely to fall in the first casualty list of our present employed workers. So the Finance Committee brought out Senate bill 2051 which is before the Senate, which is a simple bill, but which does make possible the coverage of more than three and one-half million Federal civilian workers, sets up a revolving loan fund through which the security of the several State unemployment funds may be strengthened, and makes some other necessary technical provisions in the Social Security Act.

That bill was brought before the Senate. In the meantime the Military Affairs Committee bill was reported. A motion was made to amend the bill reported by the Finance Committee, not by striking out its language but by inserting the Military Affairs Committee bill. Three titles of the Military Affairs Committee bill were offered as amendment No. 1 to precede the text and language of the Senate Finance Committee bill, Senate bill 2051. That is a simple parliamentary situation.

There is some difference, and it is a difference in principle rather than in technical provisions. There is a difference in principle, and in some technical respects, of course. The two bills differ—that is, the amendment which I offered to amendment No. 1 offered by the distinguished Senator from Montana [Mr. MURRAY] and the amendment offered by the Senator from Montana. They differ somewhat, but there ought not to be any

confusion so far as the amendment which I have offered is concerned. It cuts straight down the line. So within 10 minutes anyone can understand this bill.

It sets up an office of demobilization and reconversion. It provides for the appointment of a director, and then brings into that office the Office of Contract Settlement created by the Contract Settlement Act to which I have referred. It brings in also the Surplus War Property Administration created by Executive order of the President, and any surplus war property administration hereafter created by statute. It brings in the Retraining and Reemployment Administration, created by Executive order, of which General Hines was designated as the Administrator or Director. It at once transfers every function pertaining to the veterans to the Veterans' Administration itself. It also provides for the transfer to that office, which is a supervising office, an office which will simply direct the various other offices which have been set up by the Congress dealing with the reconversion period and the mobilization period, of other organizations which have been set up by the President under Executive order.

The bill is careful to extend no power beyond the existing powers in the President and in the offices already created by the Congress. It is careful to give full power to bring those offices together and direct them under one responsible head.

The only real issue before the Senate, aside from a conflict of philosophy and certain technical provisions in setting up the machinery and providing for the bringing together of the various agencies under the directing head of the Director of Demobilization, arises under the unemployment compensation features of the bill.

In the first place, the Military Affairs Committee bill would substantially repeal title V of the veterans' bill, the so-called G. I. law. I do not mean to say that the benefits are proposed to be lowered. It would repeal or amend the mustering-out pay bill by doubling the payments under that bill. But the thing to which I have objected, and to which I shall always object—and it is an issue which must be settled here—is that it lifts the affairs of the veterans out of the Veterans' Administration, under General Hines, and out of the new office created by Executive order of the President of the United States, of which General Hines is the Administrator. He immediately made transfer of everything pertaining to the veterans to the Veterans' Administration. That is where the veterans want it.

The issue has been one of long standing. Machinery is being set up at this hour which must be in operation in September to administer the Veterans' Act in the Veterans' Administration. That is the first sharp issue.

Mr. MALONEY rose.

Mr. GEORGE. I do not assume that the Senator from Connecticut takes issue with my statement.

Mr. MALONEY. Mr. President, I do not take issue. I do not believe the Military Affairs Committee takes issue. I

believe that the bill was so hastily—and I use that word rather than "carelessly"—drawn that the members of the committee did not realize what they were doing in that particular respect.

Mr. GEORGE. That is what happened, and it is what will unavoidably happen if we adopt the Military Affairs Committee provisions with respect to veterans. We shall have the ridiculous situation of General Hines building up a vast organization which would function only from September 20 until 3 months after the passage of this bill, when another vast organization would have to be built up and put together.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CLARK of Missouri. May I suggest to the Senator that the so-called Military Affairs Committee bill, the Kilgore-Murray bill, was not drawn by any one who was in the slightest degree interested in the welfare of the veterans? [Laughter.]

Mr. GEORGE. Of course the issue as to whether we are to increase the mustering-out pay of the soldier before payments have well begun is another straight issue.

We all know by this time that the bill would more than double the mustering-out pay provided by a measure which had separate congressional consideration. Actually the maximum mustering-out pay under the terms of the Military Affairs Committee bill might go as high as \$1,050, which very closely approaches the old World War No. 1 adjusted-compensation provision. However, I do not wish to stress the merits of the bill, further than to say that that is the issue in respect to mustering-out pay.

There is a straight issue as to whether or not we are to interfere with the unemployment-compensation provisions and the educational provisions for veterans; and, above everything else, whether or not we are to take the affairs of our veterans out of their own agency and throw them into a new agency under the scheme outlined in the bill. That question is involved in the unemployment compensation features of the bill.

On the other vital question—and there is no way, until that issue is settled, for us to proceed intelligently—the bill raises the square issue, contrary to the conclusion which we reached in the Special Committee on Post-war Economic Policy and Planning, respecting the State unemployment compensation systems. It raises squarely the issue of whether the integrity of the State systems is to be preserved or whether those systems are to be swallowed up and overshadowed by a Federal system which in the nature of things cannot be properly cognizant of the problems and needs for unemployment compensation in all the States.

So there is the issue. Are we going to let the States take care of their own unemployment compensation funds? Are we going to let the administration of those funds remain in the hands of the States? In the bill which has for its purpose the provision of unemployment compensation for workers, are we going to provide additional or increased benefits

for veterans? Or will we let those matters stand where we left them, after conferences with many persons from all over the country? Those, Mr. President, are the real issues confronting the Senate.

So far as the pending bill is concerned, I very frankly say that the amendments I have offered to the bill reported from the Committee on Military Affairs simply cut straight down the line. They follow the President of the United States in his effort to meet the pending reconversion problem, and supplement his efforts in that respect, and give them the backing of congressional approval. We simply follow his efforts.

I am frank to say that no new power is given; no power is increased. But under the provisions of the bill there would be set up an office into which all the various agencies would be brought under congressional approval. The program is a simple one. It means no new bureau, no vast organization, no complications. Of course, it does vest some power. Power must be vested somewhere if we are to meet the problem which lies ahead of us.

I sincerely hope the Senate will vote down the motion to recommit the bill. Let us face these issues.

On that point, Mr. President, let me make a further statement, since I may not speak again during this debate. If it is decided that we will protect and preserve the integrity of the State unemployment compensation systems—and I sincerely hope we will decide to do so—and if in the months which lie immediately ahead of us it turns out that the Congress desires to go beyond what the State systems do for the unemployed, it will be within the power and competency of the Congress to make provision for additional aid and assistance to unemployed workers. The Congress will be able to do that without destroying or federalizing the State systems. That problem would come to us as a new one, one which we could take our time in handling, and one into which we could look.

There will be no vast amount of unemployment immediately; we all know that to be so. The real urgency here does not arise because anyone fears there will be any vast unemployment immediately, as a result of cut-back after cut-back. The workers engaged in the plants in which the cut-backs occur may sooner or later be unemployed. But there is a vast demand for new workers in almost every branch of industry in the country. Civilian enterprise, as soon as it can get back to work, consistent with the first, primary, main job of winning the war, will absorb a great many of our workers.

The present situation is brought about because of the selfish, partisan motives of special groups in this country. I am mincing no words. They want to tie it in with contract termination and with aid for veterans. They are not willing to wait until we can provide the simple machinery for clearing out the plants, settling the contracts, setting up an agency which will deal with the distribution of surplus property, and getting the machinery running again. They insist that

they must have legislation dealing with unemployment compensation passed at once.

I want the workers to be provided for. I want adequate protection afforded them. But if tonight we pass the bill which has been reported from the Committee on Military Affairs, all America will know that we have increased unemployment by 25 percent, for we will not only discourage every business and every enterprise but we will invite idleness, because of the exorbitant allowances provided by the bill to unemployed persons and to great classes of people who temporarily have gone into war work in order to earn some of the high wages prevailing at the moment, with no thought of permanently remaining in the labor market. Yet they may cease employment and draw a pension. It is a pension. It has no remotest resemblance to unemployment compensation.

Of course, the sponsors of the bill reported from the Committee on Military Affairs finally did submit an amendment which provides that the placement payments made should be related to the income received. But what does the bill provide in the way of unemployment compensation about which we have been talking? It provides for payments commencing 3 months after it passes, and lasting until the end of all hostilities, perhaps 3 years or 5 years hence. Does the bill provide for payments to be made for a only a limited period of time? No, Mr. President, it provides that payments shall be made for every day in every year until the war ends. What is that but a pension? What remote connection has it with unemployment compensation? It does not even resemble it.

Those are the issues. But we can never get anywhere until we say how we will treat the veterans, and whether we think the time has already come—before the first law we put on the statute books has even begun to be administered, except in minor particulars—to increase the benefits under that bill or, primarily, whether we think we should strip the Veterans' Administration of full jurisdiction over veterans' affairs.

The second question we must answer is whether we are going to leave the State systems of unemployment compensation unimpaired, and whether we are going to permit the people of the States to determine what they will do with the intimate job of deciding what their own people should receive when they are temporarily out of work, and for how long a period. Are we going to perform the whole duty here?

There is nothing complicated about the issues. They are clear-cut and definite, and I think we are ready to vote on them.

Mr. BANKHEAD. Mr. President, if the Senator will yield to me, I desire to ask him a few questions, in addition to those which previously have been asked, about what the cost of operation of the bill will be. How many employees in industry would be eligible for compen-

sation or pension, or whatever it may be, under the Kilgore bill?

Mr. GEORGE. All except domestic servants in private homes, employees of a foreign government, and fathers who are employed by their sons or sons who are employed by their fathers, as the case may be. They are not covered.

Mr. BANKHEAD. I should like to ask another question, Mr. President. What information does the committee have about what number of workers will be involved?

Mr. GEORGE. The evidence before the Special Committee on Post-war Economic Policy and Planning shows that approximately 61,000,000 or 62,000,000 persons are gainfully employed in the United States at this time. I think that included the men and women in the armed service, but I am not sure.

Mr. BANKHEAD. This would not apply to all persons who were gainfully employed, would it?

Mr. GEORGE. It would apply to all but domestic servants in private homes, and, practically, to employees of foreign governments.

Mr. BANKHEAD. It would not be limited, then, to those engaged in war production?

Mr. GEORGE. Oh, no.

Mr. BANKHEAD. It would cover the whole population?

Mr. GEORGE. Yes; with two or three minor exceptions.

Mr. BANKHEAD. Can the Senator give us any information about the probable cost which would be involved?

Mr. GEORGE. We have had that subject under discussion with the Social Security Board itself on the basis of assumed conditions of a fact. Those assumptions had to be drawn, and they are debatable. The Board concedes it. They assume that unemployment will reach a peak of 8,000,000 by the end of 1945, and that on the basis of that assumption, coupled with certain other assumptions which I have already placed in the RECORD, the total cost of the bill over and above all existing obligations of the State and Federal Governments would run to \$10,400,000,000.

Mr. BANKHEAD. I thank the Senator.

Mr. KILGORE. Mr. President, I wish to make a brief reply to the remarks of the senior Senator from Missouri [Mr. CLARK] and also in connection with what has been said with reference to the Veterans' Administration.

The bill specifically provides that the administration of the titles which have been referred to shall be placed in the existing agencies adapted to carry them out. Naturally, none of the members of the Military Affairs Committee being veterans, as intimated by the senior Senator from Missouri [Mr. CLARK], it is evident that anyone administering an act like the one proposed would certainly place veterans' affairs under the administration of the Veterans' Administration.

The PRESIDING OFFICER. The question is on the motion of the Senator from Connecticut [Mr. MALONEY] to re-

fer the pending bill to the Finance Committee. On this motion the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a pair with the junior Senator from South Dakota [Mr. BUSHFIELD]. I understand that if he were present and voting he would vote as I intend to vote. Therefore I am free to vote. I vote "nay."

Mr. HAYDEN (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. NYE]. I am advised that if he were present he would vote as I intend to vote. Therefore I am free to vote. I vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I am advised that if he were present he would vote as I intend to vote. Therefore I am free to vote. I vote "nay."

Mr. WAGNER (when his name was called). I have a pair with the junior Senator from Kansas [Mr. REED]. I am informed that if he were present he would vote as I intend to vote. Therefore I am at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at the Mayo Clinic, and that the senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. SMITH], the Senator from Montana [Mr. WHEELER], the Senator from Nevada [Mr. SCRUGHAM], and the Senator from Wisconsin [Mr. LA FOLLETTE] are necessarily absent.

The Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. MCCARRAN], the Senator from Utah [Mr. MURDOCK], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

I am advised that if present and voting the Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from Montana [Mr. WHEELER], the Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The senior Senator from Oregon [Mr. HOLMAN] and the senior Senator from North Dakota [Mr. NYE] are necessarily absent. If present, they would vote "nay."

The junior Senator from Minnesota [Mr. BALL], the junior Senator from Idaho [Mr. THOMAS], the junior Senator from Kansas [Mr. REED], and the senior

Senator from New Hampshire [Mr. BRIDGES] are necessarily absent.

The result was announced—yeas 14, nays 61, as follows:

YEAS—14

Aiken	Langer	Shipstead
Chandler	McKellar	Stewart
Connally	Maloney	Tunnell
Green	O Daniel	Walsh, N. J.
Jackson	Russell	

NAYS—61

Andrews	George	Radcliffe
Austin	Gerry	Revercomb
Bankhead	Guffey	Reynolds
Barkley	Gurney	Robertson
Brewster	Hatch	Taft
Brooks	Hawkes	Thomas, Utah
Buck	Hayden	Tobey
Burton	Hill	Truman
Butler	Johnson, Calif.	Tydings
Byrd	Johnson, Colo.	Vandenberg
Capper	Kilgore	Wagner
Caraway	McClellan	Wallgren
Chavez	McFarland	Walsh, Mass.
Clark, Mo.	Maybank	Weeks
Cordon	Mead	Wherry
Danaher	Millikin	White
Davis	Moore	Wiley
Downey	Murray	Willis
Eastland	O'Mahoney	Wilson
Ellender	Overton	
Ferguson	Pepper	

NOT VOTING—21

Bailey	Gillette	Nye
Ball	Glass	Reed
Billbo	Holman	Scrugham
Bone	La Follette	Smith
Bridges	Lucas	Thomas, Idaho
Bushfield	McCarran	Thomas, Okla.
Clark, Idaho	Murdock	Wheeler

So Mr. MALONEY's motion to recommit was rejected.

Mr. KILGORE obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator from West Virginia yield?

Mr. KILGORE. I yield.

Mr. BARKLEY. I should like to inquire to what extent further discussion is contemplated before a vote, and whether it is the desire of Senators to remain here until we have concluded the vote, or go over until tomorrow. Senators around me say "yes," we should remain. If I may take them at their word, I expect every one of them to remain in the Senate until the vote has been taken, and not leave the Chamber as soon as we get into further discussion. I am merely trying to ascertain what the Senate desires to do. So far as I am concerned, I would as soon remain here until we finish, or go over until tomorrow.

Mr. WHITE. Will the Senator yield?

Mr. BARKLEY. I have not the floor.

Mr. KILGORE. I yield to the Senator from Maine.

Mr. WHITE. Speaking for myself, and I believe the overwhelming majority upon this side of the aisle, I think the sentiment is that we should remain in session, and give of our time, give of our energy, give of our thought, to the consideration of the pending business, and speed it on its way. There may be some confusion as to details, but I think the principles underlying the proposed legislation are clear in the minds of Senators, and that we should be able to take a definite stand with respect to them.

Mr. President, out of my political experience I have found that the people will forgive mistakes of judgment, but in a great crisis they expect a legislative body to act, they expect a legislative

body to remain in session, giving of itself to the working out of wise solutions of problems which confront them. They do not want dilatory action, or inaction. They do not want excuses for not doing the things which are ahead of us to be accomplished.

I think the people would applaud our decision to remain in session and work on this legislative proposal before us until we have brought it to a conclusion, and I hope the majority leader will determine upon that course.

Several Senators. Vote! Vote! Vote!

Mr. BARKLEY. If the Senator from West Virginia will again yield, may I ask to what extent further discussion is to be indulged in prior to a vote? I suppose the first vote will be on the amendment of the Senator from Georgia [Mr. GEORGE] to the Military Affairs Committee bill, as I understand the parliamentary situation.

Mr. KILGORE. Mr. President, I have no idea of making a speech. I am merely about to suggest a couple of amendments.

Mr. BARKLEY. Of course, that is in order.

Mr. KILGORE. They are amendments which should be offered before the bill is voted on.

Mr. BARKLEY. The Senator from Montana can modify his own amendment if he desires.

Mr. KILGORE. I cannot make a modification, so I am suggesting an amendment.

Mr. BARKLEY. In view of the overwhelming vote against the motion to recommit, I think it is apparently the feeling of Senators that they understand the legislative proposal well enough to go through with it and pass upon it at the very earliest moment. I personally had been hoping we could conclude the consideration of the bill today, and if Senators are willing to remain in the Chamber and hear whatever is said, there will at least be a clearer understanding than if they depart from the floor of the Senate and come in when a roll call has been started.

Mr. TOBEY. Mr. President, will the Senator from West Virginia yield to me?

Mr. KILGORE. I yield.

Mr. TOBEY. I am in hearty sympathy with what the Senator from Kentucky has said. We now have an attendance in the Senate the like of which we have not seen for months, an exceedingly large number. Let us act. We know the subject; we have rejected the motion to recommit. Why not let us have a vote and clear this business up? We are ready for the vote.

Mr. HATCH. Mr. President—

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. HATCH. As I was about to ask the Senator from West Virginia to yield, cries arose of "Vote! Vote! Vote!" I am willing to remain here as long as anyone else, so long as any Senator of the United States has anything to offer, and I trust what may be offered will be received courteously and considered, I hope, intelligently.

Mr. KILGORE. Mr. President, I thank the Senator from New Mexico.

Under the rules it is impossible for anyone other than a Senator who offered an amendment to suggest modification to it, but I should like to suggest that in committee print No. 2, S. 2051, which is the amendment offered to the original George bill, at page 22, line 7, it be amended by inserting after the word "dependent" the words "and \$20 per week if he has one or more dependents", striking out the words "\$18 if he has one dependent, and \$24 if he has two or more dependents."

The second amendment I suggest is on page 24, in the same print, at line 7, the end of the line, following the word "wages."

The VICE PRESIDENT. If the Senator will take advantage of a different print of the bill which the Chair is sending him, it may facilitate matters.

Mr. KILGORE. I am talking of the print of August 9. The one which has been handed me by the clerk is dated August 8.

Mr. TAFT. The Senator from West Virginia referred to the print which says "Committee Print No. 2, with clarifying amendments, August 9?"

Mr. KILGORE. That is correct, and I shall furnish the marked copy to the clerk.

At the end of line 7, before the colon, I propose to insert a comma and the words "but in the case of no employee shall the weekly payment be less than \$3 per week."

In line 10, on the same page, after the word "dependents" insert the word "and" before "\$25"; and in line 11, after the word "one", insert the words "or more", and change the word "dependent" to "dependents", striking out the remainder of line 11 and line 12 down to the colon, making the sentence read:

For a qualified employee the "interim placement benefit" payable for a week of reemployment in any benefit year shall be 75 percent of the "weekly wages," but in the case of no employee shall the weekly benefit payment be less than \$8 per week: *Provided, however,* That these amounts shall be rounded upward to the nearest dollar, but shall not in any event exceed \$20 for an individual if he has no dependents and \$25 if he has one or more dependents.

That applies only to workers. It does not affect benefits with reference to veterans.

Mr. MURRAY. Mr. President, the amendments suggested by the distinguished Senator from West Virginia have the approval of Senators supporting the Military Affairs Committee bill, and I therefore accept the amendments as modifications of my amendment.

Mr. REVERCOMB. Mr. President, I make this inquiry for information. The modifications now made will not change the structure of the administration of the bill as reported by the Military Affairs Committee. Is that correct?

Mr. MURRAY. Except as amended previously. The bill has been amended heretofore.

Mr. KILGORE. The bill has had a number of clarifying amendments placed in it heretofore.

Mr. REVERCOMB. I understand that, but the suggestions made today only change the amounts; is that correct?

Mr. MURRAY. The modification merely changes the amount provided in the bill.

Mr. BARKLEY. Mr. President, may I ask the Senator from Montana a question? The effect of the Senator's amendment, his own modification, according to the suggestion of the Senator from West Virginia, is that whereas the original bill provided in case of dependents as high as \$35 per week in case of three or more dependents, the Senator now reduces that to a maximum of \$25 in case of one or more, does he?

Mr. MURRAY. That is correct.

Mr. BARKLEY. That is the substantial effect of that part of it. And then the other amendment on page 22, in lines 7 and 8, provides \$20 in line 7 where it now provides \$18, and eliminates the \$24; is that correct?

Mr. MURRAY. That is correct.

Mr. BARKLEY. And in addition to that fixes a floor of \$8 a week below which the compensation cannot go?

Mr. MURRAY. That is correct.

Mr. MEAD. Mr. President, I do not intend to take very much of the time of the Senate, and I certainly shall not delay the vote on the bill more than a few minutes.

Mr. GEORGE. Mr. President, will the Senator permit me, now that the vote seems imminent, to suggest two modifications to the text of the amendment which I have offered, and I will state what they do to the Senate?

Mr. MEAD. I am glad to yield to the Senator.

Mr. GEORGE. The first modification merely makes certain that nothing in the act shall modify or affect or amend the powers now vested in the Veterans' Administration or the administration of veterans' affairs relating to the veterans themselves.

Mr. MURRAY. On what page is that?

Mr. GEORGE. On page 13 of the amendment of August 8 there is a rewrite of subsection (a) of section 302, dealing with the Retraining and Reemployment Administration. The modification thereof simply conforms with the existing Executive order, and declares that nothing in the section shall to any extent affect, amend, or modify the powers now vested in the Veterans' Administration or the Administrator of Veterans' Affairs. I send the modification to the desk.

The second modification, Mr. President, is one which was accepted heretofore by the Senator from Montana [Mr. MURRAY], the amendment known as the O'Mahoney amendment, which was read and presented to the Senate, and accepted by the proponents of the amendment. I am willing to accept it here with a reduction in the salaries of the three members of the appeal board who are to pass on the question of allocation of materials where any agency decides to release its material, from \$10,000, as stated in the original amendment, to \$8,000, and that is agreeable to the Senator from Wyoming [Mr. O'MAHONEY].

I wish to modify the amendment in that respect.

The modification is as follows:

Sec. 203. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized by any Government agency having control over manpower, production, or materials, on a restricted basis the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

(b) There is hereby created in the Office of War Mobilization and Reconversion a Board of Appeals to consist of three members appointed by the President by and with the advice and consent of the Senate, each of whom shall receive compensation at the rate of \$8,000 per year, and shall serve for a term of 2 years. When any person is aggrieved by the action of any such Government agency referred to in subsection (a) in allocating available materials for the production of any item or group of items for nonwar use, such person shall, upon application therefor under such regulations as the Director may prescribe, be afforded an opportunity, forthwith, to present his views thereon at a hearing before the Board of Appeals. If, at such hearing, such person establishes to the satisfaction of the Board of Appeals that as a result of such action his business operations will be seriously interfered with or substantially curtailed because of a shortage of any material necessary to such operations, that his inability to continue business operations will result in a serious unemployment problem for his employees, or that the interests of the consumers of the articles produced or manufactured by such person will be substantially impaired, the Board of Appeals shall make an immediate report thereon to the Director. Thereupon the Director shall allocate to such person such amounts of the material with respect to which the shortage exists as in his judgment will be necessary to prevent substantial hardship to such person, his employees, or consumers.

Mr. TAFT. Mr. President, may we have the first modifying amendment read?

The PRESIDING OFFICER. The clerk will read.

The CHIEF CLERK. On page 13, it is proposed to strike out subsection (a) of section 302 and insert the following:

(a) to have general supervision and direction of the activities of all Government agencies relating to the retraining and reemployment of persons released from war work, including all work directly affected by the cessation of hostilities or the reduction of the war program and to issue necessary regulations in connection therewith. Nothing in this section shall be deemed in any extent to affect, amend, or modify the powers now vested in the Veterans' Administration or the Administrator of Veterans' Affairs.

Mr. MEAD. Mr. President, during the course of this debate the position of organized labor has been mentioned on numerous occasions. The impression was left that one group was enthusiastically supporting the Murray-Kilgore bill, and that other groups may or may not be actively concerned with its passage. I take the floor at this time to point out the position taken by the railroad organizations, and in doing so I read briefly from the national weekly publication called Labor, which is the organ that presents the position of the

railroad workers of the country on matters of this character.

Mr. President, as far back as Saturday, April 6, 1944, Labor came out for the Kilgore bill with this heading:

Kilgore's post-war plan contains labor's safeguard.

There is a lengthy article in that issue which explains the provisions of the bill. On Saturday, April 15, the issue of Labor had this heading:

American Federation of Labor stresses urgent nature of the post-war problem. Sees danger of starvation and misery if matters are permitted to drift. Jobless army forecast. Present trend is toward debacle greater than after the close of last war.

Then it goes on to relate Labor's position in support of the bill introduced by the Senator from West Virginia [Mr. KILGORE] and the Senator from Montana [Mr. MURRAY].

In the issue of Labor for Saturday, June 3, there is found this heading:

Organized labor renews its fight for the Kilgore bill. Congress told that failure to plan for jobs may have disastrous results.

There follows a rather long statement favoring the passage of this bill.

In the issue for Saturday, June 17, is to be found another lengthy article on the front page, the heading of which is:

Organized labor pressing battle for the Kilgore bill.

The article states that Mayor LaGuardia made a special trip to Washington to urge action on legislation sought by organized labor to protect workers from the ravages of post-war unemployment. Testifying before a Senate committee, the mayor came out flatfootedly for the Kilgore bill.

In the issue of Saturday, June 24, there is this heading across the entire front page of the newspaper:

Congress votes relief for business, but neglects the Nation's workers. Rail labor chiefs demand action on the Kilgore measure. Leaders insist human rights receive equal treatment with property rights.

In the issue of Saturday, July 8, there is an editorial across the top of the page entitled:

Four million workers will be jobless by the end of the year, A. F. of L. predicts in its plea for the Kilgore bill.

In the issue dated August 5 there is a large headline which reads as follows:

Reconversion is overshadowing issues. Unions request Kilgore bill. Workers must not be forgotten.

Then there is an article entitled:

The American Federation of Labor says: "We heartily endorse the Kilgore bill. It seeks to protect human rights as well as property rights."

In the most recent issue, the issue of Saturday, August 12, there is this heading:

Labor united for Kilgore bill.

The article explains that all the various units of organized labor favor the Kilgore bill. There is this subheading:

All elements of organized labor have forgotten their differences on other issues and are putting everything they have in an effort to gain approval of the Kilgore measure.

Mr. President, I bring these articles to the attention of the Senate because, as I stated at the beginning of my remarks, the impression has been left that labor is not united on this particular issue. The organized workers of the country are united, and they are pressing for the passage of the bill introduced by the Senator from Montana [Mr. MURRAY] and the Senator from West Virginia [Mr. KILGORE].

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. JACKSON. In connection with the very able statement of the distinguished Senator from New York, since he has been kind enough to yield to me in order that I may make a brief statement, I wish to say a word with respect to my personal understanding of the situation and my present mental attitude.

So far as I am concerned, let me say to the distinguished Senator from New York that I am under no misapprehension as to the desires of labor with reference to this bill. I think if I were to be categorized—which I hope I may never have to be, completely—I would be called a friend of labor. I shall vote on the amendment and this bill as I can best conscientiously see them.

Let me say to the distinguished Senator from New York that I do not believe that either the George bill or the Kilgore bill is adequate and proper to meet the situation which the Nation confronts. I expect to vote against the George amendment; but I wish to have it clearly understood that the reason I shall vote against the George amendment is that I do not wish to go on record as approving the George bill as adequate to the needs of this country. It would do very little to meet the overwhelming shock which we can reasonably expect as a result of the great impact of unemployment due to the cessation of hostilities.

On the other hand, Mr. President, I wish my friends and the friends of the distinguished Senator from New York to understand that when I vote against the amendment offered by the distinguished Senator from Georgia I do not mean to be understood as approving the Kilgore bill. If the amendment of the distinguished Senator from Georgia should prevail, then any opportunity for the distinguished Senator from Montana and the distinguished Senator from West Virginia to get their bill into shape so that I could support it would be lost. So my vote against the George amendment will be a token vote in that respect.

Hence, I say to the distinguished Senator from New York that though I shall vote against the amendment of the Senator from Georgia, if his amendment should prevail, I expect to vote for the George bill, not because it fully meets the situation, but simply because it is better than no bill at all at this time.

Mr. MEAD. Mr. President, before taking my seat I wish to reiterate the fact that the Congress of Industrial Organizations, the American Federation of Labor,

and the railroad organizations are united in support of the bill of the able Senator from West Virginia and the able Senator from Montana.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article from the Washington Post of August 8, 1944, entitled "State Jobless Pay Called Inadequate." The article states that there are defects in the State system which should be corrected; that the amount paid to the unemployed worker is entirely inadequate; and that the duration of the payment is not sufficiently long even to be termed "reasonable." I ask to have the article inserted in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of August 8, 1944]

STATE JOBLESS PAY CALLED INADEQUATE—SOCIAL SECURITY BOARD'S CHAIRMAN SEES PLANS FALLING SHORT OF RECONVERSION NEED

Arthur J. Altmeyer, chairman of the Social Security Board, has filed a report with War Mobilization Director James F. Byrnes indicating that State unemployment compensation systems will be unable to protect the Nation against widespread reconversion unemployment.

This report has assumed considerable significance in view of congressional consideration of proposals to supplement State unemployment benefits with Federal funds.

One high administration official who asked that his name be withheld emphasized yesterday that adequate provision must be made for unemployment compensation if workers are to be kept on war jobs until the war ends. At present officials are moving cautiously with reconversion planning to avoid stimulating a flight of workers from war jobs.

DEFECTS ARE CITED

Defects in State insurance systems listed by Altmeyer included:

Limited duration of benefits—28 States provided maximum benefits of 16 weeks or less, as of January, this year.

Low maximum weekly benefit amounts—22 States limit the maximum weekly benefit to \$15.

Limited coverage—Only 13 States cover employers of one or more employees. Others exempt small employers. About 2,000,000 workers in Government arsenals, depots, and navy yards and merchant seamen are not covered.

Unduly restrictive disqualifications.

"SPREAD" TOO NARROW

Failure to distribute the excessive financial burdens of reconversion unemployment over the entire country. Some States will exhaust their reserves to get by the reconversion period, while \$2,000,000,000 to \$3,500,000,000 of other reserves may be untouched in the hands of other States.

"The most serious inadequacy of State unemployment compensation laws," Altmeyer said, "if the limited period during which benefits can be drawn.

"In some States, an unemployed person can draw only 2 or 3 weeks of benefits. Even in the rather good year 1941, for the country as a whole, one-half of all claimants were still unemployed when they had exhausted their benefit rights.

"In 36 States, over 40 percent of the beneficiaries used up all their benefits; in three States, over 60 percent exhausted all rights.

Many workers remained unemployed for long periods after exhausting their benefits."

One proposal before Congress is to provide Federal aid to extend emergency benefits up to \$35 a week until 2 years after the end of the war.

"The average weekly benefits of about \$12.60 for 1942 and \$13.80 for 1943 was only about one-third of the average weekly wage," Altmeyer said. "Thirty-two States pay higher rates for accident compensation than for unemployment compensation."

Benefits are often inadequate in States which have accumulated large reserves, Altmeyer said.

Oregon's reserve fund at the end of 1943 was large enough to pay benefits to 85 percent of employed workers, he said. North Carolina's reserve is large enough to pay benefits to 88 percent of employed workers, yet the average weekly benefit in 1943 was only \$7.10—lowest for any State.

Present reserves total \$5,000,000,000, enough to provide \$20 a week for 20 weeks to 12,500,000 workers if they were in a national pool, Altmeyer indicated. Divided as they are among the States a pattern of poverty and plenty is presented.

SEVEN-PERCENT COVERAGE

He cited research indicating that only 7 percent of the actual wage loss through unemployment in 1940 was covered by benefits. It was estimated that the States, under present regulations, would be unable to underwrite more than 10 percent of the anticipated reconversion unemployment loss.

"It does not seem possible that in the remaining time before the war ends, most State unemployment compensation laws will be sufficiently extended and improved to intensify sufficiently the degree of protection against widespread unemployment," Altmeyer said. "The search for a solution to the problem must, therefore, proceed in other directions."

Mr. OVERTON. Mr. President, I differ with the view taken by the Senator from Indiana [Mr. JACKSON]. I wish to take a practical view of this question, and I hope a statesmanlike view. It is necessary that the Senate act in order that when the House acts there may be a bill in conference. In my humble judgment, this bill will be worked out in conference. I shall therefore vote for the George amendment; and if that is defeated, I shall vote for the Kilgore amendment, in order that the bill may be sent to the House and go to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Georgia [Mr. GEORGE], as modified, to the first Murray-Kilgore amendment, as further modified, striking all after section 101 of that amendment and inserting in lieu thereof certain language.

Several Senators requested the yeas and nays.

The yeas and nays were ordered.

Mr. AIKEN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. AIKEN. Are we about to vote on the George amendment?

The VICE PRESIDENT. The question is on agreeing to the George amendment, as modified, to the first Murray-Kilgore amendment, as further modified.

Mr. AIKEN. As I understand, if the George amendment should fail, then

there would be no opportunity to propose any amendment to that part of the Kilgore bill which has been offered as an amendment to the George bill; and, furthermore, the George amendment itself is not open to amendment.

As I understand, the amendment upon which we are now about to vote is not open to amendment.

The VICE PRESIDENT. That is correct.

Mr. KILGORE. Mr. President, what is the parliamentary situation?

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Georgia [Mr. GEORGE] as modified, to the first Murray-Kilgore amendment, as further modified, striking out all after section 101 of that amendment and inserting in lieu thereof certain language.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HAYDEN (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. NYE]. I transfer that pair to the senior Senator from Nevada [Mr. McCARRAN], and will vote. I vote "nay." I announce that if the Senator from Nevada [Mr. McCARRAN] were present, he also would vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the senior Senator from Oklahoma [Mr. THOMAS], who, if present, would vote "nay." Having transferred my pair, I am at liberty to vote. I vote "nay."

Mr. WAGNER (when his name was called). I have a general pair with the junior Senator from Kansas [Mr. REED]. I transfer that pair to the junior Senator from Nevada [Mr. SCRUGHAM], who, if present, would vote "nay." Therefore, I am at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at the Mayo Clinic.

The senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. SMITH], the Senator from Montana [Mr. WHEELER], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Nevada [Mr. SCRUGHAM] are necessarily absent.

The Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. McCARRAN], the Senator from Utah [Mr. MURDOCK], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

The Senator from North Carolina [Mr. BAILEY] and the Senator from Wisconsin [Mr. LA FOLLETTE] are paired. I am advised that, if present and voting, the Senator from North Carolina [Mr. BAILEY] would vote "yea" and the Senator from

Wisconsin [Mr. LA FOLLETTE] would vote "nay."

The Senator from Idaho [Mr. CLARK] and the Senator from Iowa [Mr. GILLETTE] are paired. I am advised that, if present and voting, the Senator from Idaho [Mr. CLARK] would vote "yea" and the Senator from Iowa [Mr. GILLETTE] would vote "nay."

Mr. JOHNSON of Colorado. The senior Senator from Montana [Mr. WHEELER] is unavoidably detained. If he were present he would vote "nay."

Mr. DAVIS (after having voted in the negative). I have a pair with the junior Senator from South Dakota [Mr. BUSHFIELD]. I understand that if he were present he would vote "yea." Therefore, I withdraw my vote.

Mr. WHERRY. The following Senators are necessarily absent: The senior Senator from New Hampshire [Mr. BRIDGES], the senior Senator from North Dakota [Mr. NYE], the junior Senator from Kansas [Mr. REED], the senior Senator from Oregon [Mr. HOLMAN], and the junior Senator from South Dakota [Mr. BUSHFIELD]. I am advised that if those Senators were present, all of them would vote "yea" on this question.

The Senator from Minnesota [Mr. BALL] and the Senator from Idaho [Mr. THOMAS] are necessarily absent.

The result was announced—yeas 49, nays 25, as follows:

YEAS—49

Andrews	Ellender	Revercomb
Austin	Ferguson	Robertson
Bankhead	George	Russell
Brewster	Gerry	Stewart
Brooks	Gurney	Taft
Buck	Hawkes	Tobey
Burton	Johnson, Calif.	Tydings
Butler	McClellan	Vandenberg
Byrd	McKellar	Walsh, N. J.
Capper	Maloney	Weeks
Caraway	Maybank	Wherry
Chandler	Millikin	White
Clark, Mo.	Moore	Wiley
Connally	O'Daniel	Willis
Cordon	O'Mahoney	Wilson
Danaher	Overton	
Eastland	Radcliffe	

NAYS—25

Alken	Jackson	Shipstead
Barkley	Johnson, Colo.	Thomas, Utah
Chavez	Kilgore	Truman
Downey	Langer	Tunnell
Green	McFarland	Wagner
Guffey	Mead	Wallgren
Hatch	Murray	Walsh, Mass.
Hayden	Pepper	
Hill	Reynolds	

NOT VOTING—22

Bailey	Gillette	Reed
Ball	Glass	Scrugham
Bilbo	Holman	Smith
Bone	La Follette	Thomas, Idaho
Bridges	Lucas	Thomas, Okla.
Bushfield	McCarran	Wheeler
Clark, Idaho	Murdock	
Davis	Nye	

So Mr. GEORGE's amendment, as modified, to the first Murray-Kilgore amendment, as further modified, was agreed to.

The VICE PRESIDENT. The question now recurs on the—

Mr. GEORGE. Mr. President, the second amendment offered by the distinguished junior Senator from Montana [Mr. MURRAY] should be adopted.

The VICE PRESIDENT. The next step is on agreeing to the Murray-Kilgore amendment, as now amended by the George amendment. That step is purely a parliamentary one.

Mr. GEORGE. Yes. The second amendment offered by the distinguished junior Senator from Montana [Mr. MURRAY] should be adopted, because—

The VICE PRESIDENT. That amendment has not yet been offered.

Mr. GEORGE. I now offer it.

The VICE PRESIDENT. If the Senator will permit, the next question is on agreeing to the Kilgore-Murray amendment, as amended by the amendment of the Senator from Georgia.

Without objection, the amendment as amended is agreed to.

Mr. GEORGE. Mr. President, the junior Senator from Montana [Mr. MURRAY] offered an amendment, numbered 2, which should be adopted. It is technical, and relates to section or title numbers.

Mr. MURRAY. As I understand, the second amendment has already been offered.

Mr. GEORGE. It was offered. I move the adoption of the second amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. GEORGE. Mr. President, there is a third amendment of the Senator from Montana [Mr. MURRAY] to which I wish to offer two or three amendments. I invite Senators to refer to page 43, line 8, of the committee print numbered 2 of August 9. On page 43, in line 8, I move to strike out of title V the words "Housing and." I also move to strike out section 501, and renumber section 502 so as to read section 501. I also move to strike paragraph (c) of what is now section 502, beginning in line 22 on page 44, and insert in lieu thereof the language which I send to the desk.

I will say in connection with the proposed amendment that it is merely to change the language in order to avoid a difficulty which the Public Works Administrator has brought to my attention.

The VICE PRESIDENT. The clerk will state the amendments offered by the Senator from Georgia.

The CHIEF CLERK. On page 43, in line 8, it is proposed to amend by striking out of the title the words "HOUSING AND."

It is also proposed to strike out section 501 and renumber section 502, so as to read section 501.

On page 44, after line 21, it is proposed to strike out paragraph (c) and insert in lieu thereof the following:

(c) Advances under this section to any public agency shall be repaid by such agency if and when the construction of the public works so planned is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

On page 45, in line 8, it is proposed to strike out "Alaska, Hawaii, Puerto Rico."

Mr. GEORGE. Mr. President, I may say that the words "Alaska, Hawaii, Puerto Rico" are to be stricken out for the reason that those insular possessions are under the jurisdiction of the Interior Department. It has seemed unwise to bring them into a general planning program inasmuch as the Cabinet member at the head of the Interior Department is already in the field with full authority to act in the premises.

The CHIEF CLERK. On page 45, after line 22, it is proposed to strike out all of

section 601, beginning with paragraph (c); and on page 54, line 4, to strike out the word "Adjustment" and insert in lieu thereof "reconversion."

Mr. GEORGE. Mr. President, I offer en bloc the amendments to the third amendment offered by the distinguished Senator from Montana [Mr. MURRAY].

The VICE PRESIDENT. Without objection, the amendments will be considered en bloc, and, without objection, the amendments to the amendment are agreed to.

Mr. MURRAY. Mr. President, I send an amendment to the desk and ask to have it read.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. At the proper place, it is proposed to insert:

Sec. 608. (a) The Secretary of Labor shall make a full study and investigation as to—

(1) the extent to which the adoption of annual wage systems would contribute to full employment and rising standards of living;

(2) the factors in favor of and against the adoption of various types of annual wage systems in various industries;

(3) present and past use of annual wage systems by particular industries or individual employers;

(4) other wage systems which might contribute to full employment and rising standards of living; and

(5) possible means to be used by the Government through tax advantages or otherwise in promoting adoption of annual wage systems or other wage systems designed to bring about full employment and rising standards of living.

(b) The Secretary of Labor shall submit to the President, the Senate, and the House of Representatives, within 6 months after the enactment of this act, and at such later dates as the Secretary may deem desirable, reports on the results of the studies called for in this section.

The VICE PRESIDENT. Does the Senator from Montana submit the amendment as an amendment to titles V and VI of the bill, or to some other part of the bill?

Mr. MURRAY. The amendment is offered to be inserted at the proper place in the bill.

The VICE PRESIDENT. It is not limited merely to titles V and VI?

Mr. MURRAY. It is limited to title V.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY].

Mr. REVERCOMB. Mr. President, I rise to inquire for information. As I understand, the proposed amendment would authorize a study and a report to be submitted.

Mr. MURRAY. Yes. The subject has been given considerable study during recent years. The system is already in operation in 36 or 38 corporations. I believe it is a matter which should be given study. It would be a solution to some of our very serious economic problems.

Mr. HATCH. Mr. President, I cannot allow the opportunity to pass without saying that for many months I have been definitely committed to an annual wage. I do not think the proposed amendment

will produce an annual wage system, but I certainly hope that the Congress of the United States will make some expression favoring the principle.

Mr. TYDINGS. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a telegram from Gov. Herbert R. O'Connor of the State of Maryland in favor of the George bill, together with other telegrams in favor of either the George bill or the Kilgore bill.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ANNAPOLIS, Md., August 8, 1944.
Hon. MILLARD E. TYDINGS,
United States Senator,
Senate Office Building,
Washington, D. C.:

I urge your support of S. 2051. This proposal permits the States to continue to exercise the necessary freedom in the administration of their unemployment compensation laws. Any amendment to this proposal or any new measure designed to set up Federal standards means indirect Federal controls and subsidies contrary to the resolution unanimously adopted by the last Governors' Conference. The unemployment trust fund of Maryland is now in excess of \$100,000,000.

HERBERT R. O'CONNOR,
Governor.

BALTIMORE, Md., August 8, 1944.
Hon. MILLARD E. TYDINGS,
United States Senate:

Regarding pending Federal unemployment compensation bills, the Baltimore Association of Commerce desires again to record its strong opposition to any bill which tends to transfer the control of unemployment insurance from the States to the Federal Government.

W. G. EWALD,
Secretary, Baltimore Association of
Commerce.

BALTIMORE, Md., August 8, 1944.
Hon. MILLARD E. TYDINGS,
Senate Office Building,
Washington, D. C.:

Urge you vote for Murray-Kilgore bill. This bill offers best solution for stabilized employment in the post-war era.

LEONARD E. KLINE,
President Local 109 United Electrical
Workers Committee of Industrial
Organizations.

BALTIMORE, Md., August 8, 1944.
Sen. MILLARD E. TYDINGS,
Senate Office Building,
Washington, D. C.:

We urge that you support the Kilgore Reconversion bill, Senate 2061. Only Federal action can bring about reconversion.

OUTSIDE MACHINIST SHOP COMMITTEE,
DAVID SIDES, Shop Steward,
C. W. STILLER,
Bethlehem Fairfield Shipyard.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY].

Mr. GEORGE. Mr. President, I have no objection to the amendment which has been offered by the Senator from Montana.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. REYNOLDS. Mr. President, the passage of the George bill—and evidently it will be passed if one is to judge by a

preponderance of the vote registered a moment ago—will require the expenditure of several billion dollars with which to take care of our returning men and women in uniform, and also to take care of men and women who have been working in factories and plants on the home front.

We are called upon to make expenditures of billions of dollars to take care of the unemployed in this country. I shall vote for the George bill. I am very happy to be provided the opportunity of voting money for taking care of American citizens. But I am opposed to taking money out of the pockets of United States citizens and providing employment or upkeep or maintenance for any aliens. I believe that the taxpayers of this country are sick and tired and disgusted with having to pay for the maintenance and for the employment of those who are not American citizens. Therefore I shall provide the members of this body with an opportunity to say to the American taxpayers whether or not they want the American taxpayers to support non-American people who are in this country at the present time. I, therefore, offer the amendment which I send to the desk and ask to have read.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert at the proper place a new section reading as follows:

No alien shall be employed in any capacity in the administration of this act unless he has served honorably in the armed forces of the United States.

Mr. REYNOLDS. Mr. President, I ask, therefore, in view of the fact that we are taking money away from our American taxpayers, why we should take their money to employ an alien to administer this act? I therefore ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

The amendment was agreed to.

Mr. REYNOLDS. Mr. President, I do not believe that American taxpayers should any longer be called upon to support aliens, non-American citizens. I do not think it is proper or right. Their burdens are beyond bearing at the present time. I therefore send to the desk another amendment which I ask to have read.

The VICE PRESIDENT. The clerk will read.

The CHIEF CLERK. It is proposed to insert at the proper place the following new section:

No alien shall be entitled to any benefits under this act unless he has served honorably in the armed forces of the United States.

Mr. REYNOLDS. In respect to that, Mr. President, I ask, why should we vote to take money out of the pockets of the taxpayers to pay noncitizens, aliens in this country? I ask for a vote.

Mr. PEPPER. Mr. President, I am sure the Senator does not wish to do anyone an injustice. I do not know whether the amendment would do an injustice or not, but I understand a period of years has to elapse between the time

a foreign-born person makes application for citizenship before he finally obtains citizenship. To all intents and purposes that person might be a part of our citizenry. He might have filed an original application, and he might have filed his second papers. I believe there are three stages.

Mr. REYNOLDS. I do not want the amendment to apply to anyone who has applied for American citizenship. I modify it to that extent.

Mr. BARKLEY. Mr. President, I wish to ask the Senator a question.

The VICE PRESIDENT. Is the Senator also modifying his first amendment?

Mr. BARKLEY. Under the selective-service law, and also under the law permitting voluntary enlistments, which has been suspended on account of the draft law, there is an age limit beyond which no person can serve in the armed forces of the United States, not even a citizen. Does the Senator mean that anyone who happens to be in this country, who is an alien, who is beyond the age limit for military service so that he could not qualify under the amendment, would not be entitled to any benefits?

Mr. REYNOLDS. I certainly do mean that, because there are between five and six million aliens in the United States, and many of them have had more than 20 years in which to qualify for American citizenship, but have not done so. I say it is unfair for American taxpayers to have to continue to provide employment for noncitizens, or to provide money to sustain them.

Mr. TAFT. Mr. President, this amendment and this argument might have some bearing if the Kilgore-Murray bill were adopted, but under the George bill the only benefits paid are those paid to Government employees, two or three million people who have been working in Government plants. The theory of extending the act to them is that the United States is their employer, exactly as a private person may be an employer. Aliens are entitled to compensation under the unemployment-compensation laws of all the States as a matter of right, because they have worked in the United States. So also in the case of Government employees in the arsenals and navy yards, whether aliens or not. The way the payment of unemployment compensation differs from relief is that it is a contract right, part of the wages the people earn. Aliens are just as much entitled to it as are any citizens of the United States.

Mr. DOWNEY. Mr. President, inasmuch as the amendment will probably be decided on a voice vote, I wish to announce in advance that I shall vote in the negative. I think this amendment might result in innumerable tragedies in this Nation to innocent and unfortunate and law-abiding people. I think it is a matter which should have much more serious consideration than by being rushed through the Senate in this manner. I merely wanted to let my good friend, the distinguished Senator from North Carolina, know that my vote would be in opposition to the amendment.

Mr. GEORGE. Mr. President, I regret that the Senator has offered the amendment. I hope it will be voted down. There are only two instances in which direct money benefits would be given, under the bill as it now stands. First and principally is the provision which brings under the unemployment compensation systems of the States, or at the State levels, all Federal employees. If aliens have been employed by the Government and are in the employ of the Government, as the Senator from Ohio properly points out, they would have contributed; if they were working for private employers and are now working for the Federal Government, certainly they should not be precluded from making their payments into the system in order to protect them in the event they became unemployed.

The Senate should not adopt the amendment for the very simple reason that this would be an act most inconsistent with what we have done today. It would be a direct interference with the judgment and decision of the State authorities, who have provided by their law, for the payment of unemployment compensation.

Mr. REYNOLDS. Mr. President, I accept the Senator's view.

Mr. GEORGE. The only other instance is the case of the transportation of workers, and certainly if we have induced workers to work in the war plants we should not deny transportation for their return to their homes, whether they are aliens or citizens.

Mr. REYNOLDS. I withdraw the amendment.

Mr. GEORGE. I am very happy the Senator has done so.

Mr. REYNOLDS. Mr. President, I wish to give every Member of this body an opportunity to be recorded on another question, a very important one. To repeat, which it is necessary that I do in discussing this particular amendment, the taxpayers of America are soon to be called upon to vote billions upon billions of dollars to be paid for many years to come in taking care of the unemployed. At the present time there are in this country between five and six million aliens. Many have been here for more than 20 years, but they have not thought sufficiently of this Government to make application for citizenship. Many have been here for less periods of time. As a matter of fact, aliens have been flocking to this country for years past, and are doing so now. The truth about the matter is that I have a report from the Department of Immigration in Philadelphia to the effect that since the present war began in Europe, on September 3, 1939, more than 580,000 aliens have come into the United States. How many have gone out of the country I do not know.

In view of the fact that our overburdened taxpayers in the United States are going to have to pay the unemployed, and in view of the further fact that we do not have enough jobs to go around, I think the time has arrived when we should close the gates, and not let anyone come into the United States until

we have provided jobs for the citizens of our country, jobs for our men and women in uniform all over the world, jobs for our men and women who are now in war plants, and who will be unemployed, and who will have to be taken care of by the taxpayers when the war is over. When the war ends the great flood of money will cease, and there are going to be many individuals who will be broke. There will be a great deal of trouble because people will want work. With respect to the few jobs there are my opinion is that we should give them to our own citizens. If we have any jobs I think we ought to give them to the men and women from our respective States who are now bleeding and dying all over the world to make free the lands of those who have come to this country from Europe and other parts of the world and who are taking jobs here while our boys are fighting to save their homelands. The time has come, I think, when we should not let another alien come into this country until we have provided jobs for our own people, because those of our citizens who will not be employed must be supported by the taxpayers of this country.

Therefore I submit an amendment which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The Chief Clerk. At the proper place in the bill it is proposed to insert the following new section:

SUSPENSION OF IMMIGRATION

SEC. —. (a) After the date of enactment of this act, and until the expiration of 5 years after the termination of the present war as proclaimed by the President, no immigration visa shall be issued to any immigrant.

(b) Terms defined in the Immigration Act of 1924 shall, when used in this act, have the meaning assigned to such terms in that act.

Mr. REYNOLDS. Mr. President, instead of taking the time of the Senate, I ask to have published at this point in the RECORD a statement submitted by John B. Trevor on behalf of the American coalition, made before the Committee on Immigration and Naturalization of the House of Representatives.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REFUGEES, 1944

Mr. Chairman and gentlemen of the committee: Permit me on behalf of the American coalition to submit for your consideration the following statement in reference to the problem of refugees which has been raised by the President's message and the House resolutions which are now before the committee.

On June 12 the President, in a special message, advised Congress that he had authorized the making of arrangements for the entry into the United States of approximately 1,000 refugees. These refugees are to be placed, said the President, in a vacated Army camp on the Atlantic coast, were they would remain under appropriate security restrictions.

This order of the President raises two momentous questions, which demand the immediate and serious consideration of the Congress and the people of the United States. There is first the question of policy, and there is, then, the equally important question of constitutional law.

The policy of exclusion of refugees was considered in all its aspects following the First World War. Millions of people were not only displaced by war, but were in peril of extermination as a result of the revolutions which were the sequence of war in Russia, the Balkans, Hungary, and even in Germany itself. In the Russian terror, within a brief period, the Communist dictatorship slaughtered 1,800,000 men, women, and children under circumstances of ruthless barbarity. Two million or more fugitives from Russia alone clogged the highways and byways of the world. Millions more from all countries of Europe sought to migrate to the United States. The Honorable Albert Johnson, chairman of the House Committee on Immigration and Naturalization at that time estimated the total to approximate 10,000,000 people. Lack of transportation alone checked the influx at its inception.

Congress, however, recognized not only the economic peril to our American standard of living, but also, appreciated the political menace which would be incident to the entry of millions of people whose traditions were radically different from those established in North America by the founders of the Republic. Therefore Congress passed the first quota law, known as the Immigration Act of 1921. The failure of this law to meet expectations resulted in the passage 3 years later, of a more stringent measure. That law is now in force and is known as the Immigration Act of 1924.

In addition to these laws, the Congress, since the last war, has placed upon the statute books a number of measures providing for the exclusion of certain classes of aliens such as anarchists, and members of other subversive groups of a revolutionary character.

A review of the history of the present administration's policy of enforcement of this legislation and its efforts to weaken its tenor or block any extension of the provisions of existing statutes is too well known to need any review here. It will suffice to recall that the act to register aliens was vigorously opposed by the administration until the advent of war made its passage by Congress inevitable.

In the autumn of 1942, the President sent a message to Congress asking that power be delegated to him to modify or annul any part or all of any immigration act then on the statute books. The reasons advanced in the President's message and the testimony of Government witnesses were wholly unconvincing and the Ways and Means Committee of the House of Representatives unanimously refused to report the bill.

The President has now revived the issue by ordering the admission of refugees outside of the regular immigration procedure. (See the President's cable to Ambassador Murphy published in the Department of State Bulletin of June 10, 1944.)

A careful analysis of the President's message of June 12 fails to disclose any moral or legal justification for this extraordinary action. The pertinent part of the President's message is summed up in the following words:

"Recently," said the President, "the facilities for the care of refugees in southern Italy have become so overtaxed that unless many refugees who have already escaped to that area and are arriving daily from the Balkan countries, can be promptly removed to havens of refuge elsewhere, the escape of refugees to that area from German-occupied territory will be seriously impeded. It was apparent that prompt action was necessary to meet the situation. Many of the refugees in southern Italy have been and are being moved to temporary refuges in the territory of other and friendly nations. However, in view of the number of refugees still in southern Italy, the problem could not be solved

unless temporary havens of refuge were found for some of them in still other areas. In view of this most urgent situation it seemed indispensable that the United States in keeping with our heritage and our ideals of liberty and justice take immediate steps to share the responsibility for meeting the problem."

This statement by the President in his message to Congress on June 12 is amazing, because less than 2 weeks previously, in reply to a question at his news conference, Mr. Roosevelt said that he favored the establishment of "free ports" to facilitate the relocation of war refugees but that these ports need not be in the United States. (Cf. New York Times, May 31, 1944.)

The President might have added, if he had seen fit, that "since May 1, 1944, the United Nations Relief and Rehabilitation Administration has been administering in the Middle East six refugee centers" and also that "Camp Marshall Lyautey, near Casa Blanca, is a joint United States-United Kingdom undertaking to which stateless and other refugees in Spain are being removed so that other refugees may be able to enter Spain from enemy-occupied areas." (Cf. Department of State Bulletin, June 10, 1944.)

In other words, there is no demonstrable urgency which demanded the issuance of an order by the President to ship 1,000 refugees to the United States for entry "outside of the regular immigration procedure," as he stated in his cable to Ambassador Murphy, to which reference has already been made.

The policy of assisting refugees to reach north Africa and maintaining them until an opportunity is afforded for their repatriation is as commendable and defensible as their introduction into the United States in defiance of law is reprehensible and indefensible.

The Congress and the American people must understand that the order of the President providing for the entry of 1,000 refugees establishes a precedent which should not be countenanced. The refugee problem in Europe, and, indeed, elsewhere, is not to be settled by the admission into the United States of 1,000 aliens outside the regular immigration procedure.

The magnitude of the problem is suggested in the testimony of the Honorable Dean Acheson, Assistant Secretary of State, before a joint meeting of Deficiency and War Department Subcommittees of the House of Representatives on Foreign Relief. "Similarly," said Mr. Acheson, "when you come to the displaced persons problem, you have there something the like of which has never faced civilization before, so far as I know. You have in Europe 20,000,000 people who are away from their homes, in Asia probably 40,000,000 people. . . ."

"Mr. TABER. Do you mean refugees?"

"Mr. ACHESON. Yes, there are 20,000,000 of these people. Most of them are in a country other than their own country. They are not the responsibility of the country where they are now found; they are the responsibility of the country to which they are going. They cannot be turned loose and sent back to the country to which they belong until that country is prepared to receive them."

The fact of the matter is that the refugee problem so far as it concerns the United States is the problem of U. N. R. R. A. for which the administration has asked the Congress to appropriate \$450,000,000, with an authorization to use an additional \$350,000,000. That is to say a total of \$800,000,000 for immediate use out of the \$1,350,000,000 of appropriations which the Congress has authorized.

A study of the records of migratory movements after the First World War and the testimony of the well-known news commentator, Mr. Henry J. Taylor, in his outstanding

book entitled "Men in Motion," indicate that millions of people in Europe will seek not merely a temporary refuge overseas but rather a permanent severance of all ties with their native lands. "Europe," says Mr. Taylor, "remains overcrowded to the extent of something like 60,000,000 people." (Men in Motion, p. 104). "Europe's only hope is a second gigantic migration . . ." (ibid., p. 106).

"The story of migrations is the story of small movements which accumulate as the result of small events. As the small migrations accumulate the great waves of migration appear to be dormant, but when the accumulations have taken place events occur. And with these events, such as World Wars Nos. 1 and 2, the next great wave of migration breaks out again, and man populates the earth."

"Yet the chances are overwhelming that, if Americans are not exceedingly watchful, we shall find the Europeans knocking at the doors of the United States and urging us to let them in here."

"It hardly seems conceivable that we should be so dull and thoughtless as to permit this. But there are many indications that it can happen and that Africa, the other colonies, and the dominions will be passed over by the Europeans, preserved in very much their present state, while arguments will be advanced, presumably along so-called humanitarian lines, to obtain immigration to the United States" (ibid., pp. 108-109).

Mr. Taylor concludes his chapter "Europeans can make this contribution" with the following pertinent remarks, "First, all refugees are not good refugees. Europe was very glad to get rid of many of these people, some of whom exasperated everyone abroad with their infatuation for thinking and talking and not working. Others had been ceaseless troublemakers wherever they were, castigating all who disagreed with them and assuming a superiority to which they somehow claimed title by virtue of the fact that Europe was old and wise and they were Europeans. . . . Second, we should not take any immigrants at all. We are doing other welfare services. We are doing them on a scale so vast that our gifts are nearly beyond enumeration. We should not receive refugees in exchange." Mr. Taylor speaks from personal observation. He has traveled over 100,000 miles by air. Men in Motion is a compilation of his findings. It is a great book and every American should read it and heed what he has to say.

Africa is the solution of the refugee problem. Our armies have overrun Morocco (the French Zone), Algiers, and Tunis. The British hold Egypt and conquered Tripoli. Tunis is only 303 miles from Naples. The area of its territory is something over 48,000 square miles, or approximately that of North Carolina. The population of Tunis is 2,608,313, with a density per square mile considerably less than that of North Carolina. Tunis has been a substantial exporter of foodstuffs. For example: In 1937 Tunis exported grain to the value of 232,025,030 francs; live animals to the amount of 24,824,000 francs; animal products, 72,534,000 francs; vegetable oils, 134,169,000 francs; beverages and wines, 152,104,000 francs; and fruits and seeds, 43,444,000 francs.

The city of Algiers, the capital of Algeria, is only 581 miles from Naples. The population of Algiers was, according to the census of 1936, 7,234,684, settled on an area of 847,000 square miles; that is to say, Algeria is only a trifle smaller than the combined areas of the States of Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, and Nevada. Algeria, like Tunis, has been also a substantial exporter of foodstuffs. For example, in 1937, Algeria exported the following: Animal products valued at 428,218,000

francs and vegetable products at 3,379,701,000 francs. The French Zone of Morocco, which is now under our military control, has an area of approximately 200,000 square miles, or, let us say, about twice the size of the States of New York, New Jersey, and Pennsylvania combined. A census of the French Zone taken in 1936 shows a total population of 6,298,528. Agriculture is by far the most important industry and, like Tunis and Algeria, Morocco has been an exporter of foodstuffs. In 1938 Morocco exported cattle, sheep, and pigs to the value of 45,952,000 francs; eggs, 62,647,000 francs; wheat 192,849,000 francs; barley, 32,511,000 francs; dried vegetables, 59,498,000 francs, and fish, 90,373,000 francs.

It will be observed that the combined area of these sparsely settled provinces of North Africa is substantially greater than a third of the area of continental United States, and that it is not merely potentially an important source of foodstuffs but that prior to the outbreak of war it was a large exporter of these commodities to markets which are now closed. That is to say, these provinces are capable now of supporting a large population of refugees from their own resources provided that the allied military establishments are maintained by supplies shipped in from overseas. In this connection it must not be forgotten that the United States is now importing foodstuffs from the Argentine (cf. New York Sun, June 14, 1944) to supplement our domestic supplies. Inasmuch as the steaming distance from Buenos Aires to Algiers is only 5,453 miles as compared with a steaming distance of 5,871 miles to New York, it is wholly illogical to import refugees to the United States on the theory that it is easier to feed them here than in Africa.

When to these facts are added the hazards of shipping refugees 4,200 miles from Naples to New York in time of war, as compared with transporting them only 300 miles to Tunis and less than 600 miles to Algiers, the humanitarian argument is completely demolished.

The second question raised by the President's order to admit 1,000 refugees "outside of the regular immigration procedure" presents to the Congress and to the American people a problem of constitutional law of the first magnitude. That question is this: Has the President the power to set aside an act or any part of an act of Congress restricting or prohibiting the entrance of aliens or certain classes of aliens into the United States on the theory that in time of war he has an unlimited reservoir of constitutional and statutory powers which are sufficient to sustain such extraordinary action? Here is what the President says: "You should bear in mind that since these refugees are to be placed in a camp in the United States under appropriate security restrictions, the procedure for the selection of the refugees and arrangements for bringing them here should be as simple and expeditious as possible, uncomplicated by any of the usual formalities involved in admitting people to the United States under the immigration laws." Excerpt from President's cable to Ambassador Murphy.)

It will be recalled that in the autumn of 1942, the President, in a special message to Congress, asked that the power be delegated to him to annul any immigration law or part thereof wholly, or to such extent as he deemed necessary, in order to facilitate his conduct of the war. In one of the introductory paragraphs of this memorandum it has been pointed out that when a bill providing for such a delegation of power came before the Ways and Means Committee of the House of Representatives for consideration, that committee unanimously declined to report the bill to Congress. This request from the President for a delegation of power and the testimony of the Attorney General before the Ways and Means Committee in support of

what was called the third war powers bill would seem to establish beyond dispute that all preceding grants of authority did not go so far as to authorize any such order as the President has now issued in respect to the entry of the 1,000 refugees referred to in his special message to Congress on June 12, 1944.

In a letter to a United States Senator of which the substance is set forth in the New York Daily News of June 27, 1944, the Attorney General appears to have completely reversed the opinion that he gave to the Committee on Ways and Means of the House of Representatives on November 18, 1942, respecting the necessity of additional legislation to relieve the President from mandatory provisions of the immigration laws. He now seeks to draw an analogy between the admission of refugees under the President's order and the detention of prisoners of war outside of the requirements of these statutes. No such analogy is justified because the status of prisoners of war has definite statutory recognition and the conditions of their detention are specifically provided for in a series of international conventions to which the United States is a party. The most recent of these conventions is set forth in a United States Government publication, Treaty Series No. 846, entitled "Prisoners of War."

The reference by the Attorney General to the internment of the crews of Russian war vessels in the course of the Russo-Japanese War, is neither relevant nor pertinent. The obligation of a neutral government to intern members of the armed forces of a belligerent who enter their territory has long been established by generally accepted provisions of international law. This recognition of the law of nations respecting the internment of armed land or naval forces of a belligerent nation is specifically referred to in title 18, section 37 of the United States Code. There is nothing of a comparable nature covering refugees. A refugee seeks to enter a foreign country of his own initiative. Prisoners of war are members of the armed forces of the enemy and the only civilians who are covered by the international convention, to which reference has already been made, are specifically limited to special classes "such as newspaper correspondents and reporters, contractors, who fall into the enemies' hands and whom the latter think it expedient to retain." Such persons, be it noted, in order to be entitled to the privileges of treatment as prisoners of war, must have in their possession a certificate from the military authorities of the armed forces which they were accompanying.

The Attorney General goes even further in trying to develop his analogy between refugees and prisoners of war, by pointing to a recent practice of our Government in admitting into the United States German, Italian, and Japanese nationals who have been deported by Latin-American countries to the United States under an arrangement whereby they are interned in this country. The legality of such an arrangement, whereby civilian political prisoners of a foreign nation have been admitted into the United States for internment, should be scrutinized with the greatest care. That these people constituted a grave danger to the Latin-American countries which deported them is self-evident.

It would seem, therefore, to be a reasonable assumption that they are members of one or the other of the Fascist or Nazi subversive groups who constructively fall within the scope of the provisions of title 8, section 137. That is to say, presumptively they believe in the overthrow by force or violence of the Government of the United States. If they do, the law is explicit. Such persons are mandatorily excluded from entry into the United States. If such persons are found in the United States, the executive branch of the Government is under a mandate to deport them whence they came (cf. title 8, sec. 137, subsec. (g)). It is suggested also that

the provisions of law discussed in the following paragraph have a bearing on the propriety, or rather impropriety, of admitting these aliens. Certainly, it can safely be said that there is no justification in this action of our Government for an assumption of authority to admit refugees outside of the regular immigration procedure.

Title 8, section 144, relating to the "bringing in or harboring or concealing certain aliens" expressly prohibits any person from bringing in or even landing in the United States any aliens not duly admitted by an immigration inspector or not lawfully entitled to enter or to reside within the United States. In order that there may be no doubt as to the meaning of this section, it is here set forth in full:

"Sec. 144. Any person, including the master, agent, owner, or consignee of any vessel, who shall bring into or land in the United States, by vessel or otherwise, or shall attempt, by himself or through another, to bring into or land in the United States, by vessel or otherwise, or shall conceal or harbor or attempt to conceal or harbor or assist or abet another to conceal or harbor, in any place, including any building, vessel, railway car, conveyance, or vehicle, any alien not duly admitted by an immigrant inspector or not lawfully entitled to enter or to reside within the United States, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding \$2,000 and by imprisonment, for a term not exceeding 5 years for each and every alien so landed or brought in or attempted to be landed or brought in" (Feb. 5, 1917, ch. 29).

It should be observed that the use of the words "any person" is all inclusive, and standing by itself this section clearly prohibits the admission of aliens "outside of the regular immigration procedure" by any official of the United States. This section of the immigration laws, however, does not stand by itself. It is fortified by the provisions of title 8, section 136, of the United States Code which enumerates the classes of aliens excluded from admission into the United States. Subsection (b) of this section enumerates paupers and similar indigent aliens, but even more important and decisive, is the mandatory provision of subsection (1) that "persons likely to become a public charge" are excluded. Obviously refugees imported by the United States on United States ships and maintained in a camp at the expense of the American taxpayer are not merely likely to become public charges, but they are ipso facto public charges.

The fact that the refugees whose admission is specifically ordered by the President must be definitely classified as public charges is established by the following excerpts from a memorandum sent by the President on June 8 to the Secretaries of War, Navy, and Interior, the Director of the Budget, and the Executive Director of the War Refugee Board. "These refugees will be brought into this country outside of the regular immigration procedure and placed in Fort Ontario near Oswego, N. Y."

"(4) Until U. N. R. R. A. is in a position to assume the financial responsibilities involved, the Bureau of the Budget shall make arrangements for financing the project, using to the extent possible any available funds of the War Department, the War Relocation Authority, and the War Refugee Board, and from the foreign war relief appropriation, and, if necessary, drawing upon the President's emergency fund."

Subsection (1) of section 136 of title VIII of the United States Code is further fortified by the succeeding subsection of this section, which provides that "persons whose tickets or passage is paid for with the money of another, or who are assisted by others to come,

unless it is affirmatively and satisfactorily shown that such persons do not belong to one of the foregoing excluded classes;" * * * It is indisputable, as has already been pointed out, that refugees belong to one of the excluded classes, that is to say, as persons likely to become a public charge (subsec. (i), and possibly also as paupers or vagrants (subsec. (b))). All persons mandatorily excluded from admission into the United States by title VIII, section 136, are, therefore, "not lawfully entitled to enter or to reside within the United States" within the meaning of title VIII, section 144, of the United States Code, to which reference has already been made. These provisions of law are conclusive against the admission of refugees "outside of the regular immigration procedure," as contemplated in the President's order.

It may, perhaps, be well to add that "any alien who at the time of entry was a member of one or more of the classes excluded by law" is mandatorily deportable if found within the United States at any time within 5 years after entry (cf. title 8, sec. 155, U. S. C.). Furthermore, if an alien happens to belong to one of the subversive groups, he is deportable at any time after entry (cf. title 8, sec. 137, subsec. (g)).

It is wholly erroneous to suppose that there is any provision of the immigration laws which authorizes the admission for temporary residence in the United States of any of the classes of aliens who are mandatorily excluded by law. It is evident that the refugees who have been ordered to be admitted by the President "outside the regular immigration procedure" are also mandatorily excluded by the provisions of the Immigration Act of 1924. That is to say, not only because of the probable exhaustion of the quotas applicable to the countries of which they are citizens, but also because title 8, section 202, subsection (f) prohibits a consular officer from issuing an immigration visa to any alien whom he knows or has reason to believe is inadmissible to the United States under the immigration laws and subsection (g) which provides that "nothing in this chapter shall be construed to entitle an immigrant, to whom an immigration visa has been issued, to enter the United States, if, upon arrival in the United States, he is found to be inadmissible to the United States under the immigration laws."

As has already been pointed out, the refugees are unquestionably mandatorily excluded from entering into the United States by title 8, section 136, subsection (i) and title 8, section 144. Be it noted in connection with the various provisions of the Immigration Act of 1924, that under section 223, the provisions of that law are in addition to and not in substitution for the provisions of the immigration laws, and shall be enforced as a part of such laws, and all the penal or other provisions of such laws, not inapplicable, shall apply to and be enforced in connection with the provisions of this law. Attention is particularly directed to the fact that an alien, although admissible under the provisions of this law, shall not be admitted into the United States if he is excluded by any provision of the immigration laws other than this law, and an alien admissible under the provisions of the immigration laws other than this law, shall not be admitted into the United States if he is excluded by any provision of the Immigration Act of 1924.

In accordance with the terms of section 223, it is perfectly clear that refugees for reasons repeatedly set forth above are not admissible as nonimmigrants as defined in section 203.

At the beginning of this discussion of the legal aspects of the President's order to admit 1,000 refugees, it was pointed out that from the President's effort to secure a delegation of power from Congress to annul the immigration laws in whole or in part, it is fair to assume that he not only had no such power

but also that he did not believe he had such authority. There has been an erroneous assumption by some people that because the Constitution designates the President as Commander in Chief of the Army and of the Navy, he has acquired an extension of civil powers not specifically conferred upon him by law. The fact is that the President has no power by virtue of his position of Commander in Chief of the Army and Navy to set aside an act of Congress. Indeed, an examination of the Constitution shows that the Congress is specifically authorized "to make rules for the Government and regulation of the land and naval forces" (art. I, sec. 8). The President, therefore, as Commander in Chief of the Army and Navy is definitely subjected to the rules laid down by the Congress for the government and regulation of the armed forces that he commands. Any other interpretation of the President's powers would imply that we have now existing in the United States the same evils which we are combating in Europe and Asia.

At the moment, there is before the Committee on Immigration and Naturalization, in the House of Representatives, a series of resolutions identical in purpose. These resolutions are numbered as follows: House Resolution 576, introduced by Mr. DICKSTEIN, of New York, chairman of the House Committee on Immigration and Naturalization; House Resolution 581, introduced by Mr. LANE, of Massachusetts; House Resolution 583, introduced by Mr. ROWAN, of Illinois; House Resolution 584, introduced by Mr. MARCANTONIO, of New York; House Resolution 585, introduced by Mr. SCANLON, of Pennsylvania; House Resolution 587, introduced by Mr. CELLER, of New York; House Resolution 588, introduced by Mr. TORRENS, of New York; House Resolution 594, introduced by Mr. BYRNE, of New York.

With the exception of the resolution introduced by Mr. CELLER, House Resolution 587, who uses a different phraseology to express the same purpose as those of his colleagues, the text of these resolutions appears to be identical, and, as they seem to follow the phraseology used by Mr. DICKSTEIN, a copy of his resolution, House Resolution 576, follows:

"Whereas it is common knowledge that countless thousands of innocent persons, of all racial groups and religious beliefs, in many of the countries of continental Europe have been murdered or otherwise ruthlessly persecuted by the Axis nations; and

"Whereas it is accepted by well-informed people that unless something is done in the immediate future countless more thousands will be murdered or otherwise ruthlessly persecuted; and

Whereas under the present existing immigration laws, unlike the limitation on the number of persons who may come to the United States permanently as immigrants, there is no such limitation on the number of those who may come temporarily; and

Whereas the United States can and should contribute its facilities for the temporary relief of such persons by admitting some of these distressed people temporarily to specified areas to be known as free ports for refugees: Therefore be it

"Resolved, That it is hereby declared to be the sense of the House of Representatives that the President should take such action as is necessary, within Executive powers under existing law, to admit temporarily into designated areas within the United States, to be known as free ports for refugees, aliens who can establish satisfactorily that they are bona fide political or religious refugees from countries in continental Europe, such temporary admission to be conditioned that such aliens will remain in the prescribed areas, will be admitted for a period not to exceed 6 months after hostilities have ceased, and shall not thereby be considered as having acquired any rights to be or remain in the United States: *Provided, however, That it*

is further the sense of the Congress that no persons should be admitted, in accordance with the spirit of this resolution, if they are afflicted with any loathsome, dangerous, or contagious diseases.

"It is further urged as being within the spirit of this resolution that as time is strictly of the essence in the success of the purpose of the resolution, the President is urged to act as soon as possible."

An analysis of this resolution which, as has already been said, is in substance identical with those enumerated in a preceding paragraph demonstrates a curious misapprehension both of the facts of the situation and of the law. Obviously the passage of a resolution by the Congress recommending to the President that he should take such action as is necessary to admit refugees on a temporary basis can have no effect whatsoever in preventing the murder in the immediate future of countless thousands of unfortunate who have incurred Hitler's enmity and are still within the reach of his ruthless minions.

In an earlier section of this memorandum a practical and reasonable solution for the rescue and rehabilitation of refugees who have escaped from Axis territory is clearly set forth without a reversal of our immigration policy or the necessity of any amendment of our immigration laws.

As Mr. Pegler well said in one of his recent columns: "Past performances in many fields instinctively suggest that the promise that these refugees will be repatriated after the war and meanwhile restricted will not be kept. Past performances suggest also that once a principle has been conceded by importation of 1,000 European aliens with no pretense that they are eligible or suitable for permanent residence here, the number that will be brought in later will be limited by shipping facilities, individual pull exerted through personal friends and organizations in the United States, and public tolerance." (Washington Daily News, June 14, 1944.) That is the undiluted truth.

Of course, it will be understood by anyone who has carefully followed the analysis of our immigration laws set forth in the course of this memorandum that the assertion in paragraph 3 of House Resolution 576, and its counterparts, that there is no limitation on the number of aliens who may come in temporarily is utterly without foundation. The prohibition in the law against the admission of aliens liable to become a public charge is absolute. Even if it were not for the provisions of the act of 1917 forbidding the entry of various classes of aliens under any conditions, as has been set forth previously in detail, a careful reading of title 8, section 203, which enumerates the classes of aliens who are not classified as immigrants and therefore eligible for temporary admission, indicates that upon the broadest interpretation a refugee cannot constructively be brought within its provision. Here is how section 203 reads:

"When used in this chapter the term 'immigrant' means any alien departing from any place outside the United States destined for the United States except—(1) an accredited official of a foreign government recognized by the Government of the United States, (2) an alien visiting the United States temporarily as a tourist or temporarily for business or pleasure, (3) an alien in continuous transit through the United States, (4) an alien lawfully admitted to the United States who later goes in transit from one part of the United States to another through foreign contiguous territory, (5) a bona fide alien seaman serving as such on a vessel arriving at a port of the United States and seeking to enter temporarily the United States solely in the pursuit of his calling as a seaman, and (6) an alien entitled to enter the United States solely to carry on trade between the United

States and the foreign state of which he is a national under and in pursuance of the provisions of a treaty of commerce and navigation, and his wife, and his unmarried children under 21 years of age, if accompanying or following to join him."

Bearing in mind always that refugees are barred by other provisions of law than those referred to above, they nevertheless could not truthfully be classified as tourists or as visitors entering the United States temporarily for business or pleasure. A refugee who has abandoned his residence in an enemy state and forfeited his allegiance is definitely debarred from return. Indeed, the possibility of his eventual return is wholly problematical. In this connection note that under the provisions of section 220 of the Immigration Act of 1924, of which section 203 is a part, that any person who obtains, accepts, or receives any immigration visa or permit knowing it to have been procured by means of any false claim or statement is guilty of a grave offense for which he can be fined up to \$10,000, or imprisoned for not more than 5 years or both. Any person who connived or assisted an alien to violate this provision would of course, be liable to prosecution for a conspiracy to commit an offense against the United States.

Finally, it may be said, that there are provisions in the immigration laws which prohibit the admission of criminals or persons who admit having committed a crime or misdemeanor involving moral turpitude, prostitutes, procurors, or pimps; also aliens belonging to subversive groups or who believe in or advocate the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) or of any organized government, because of his or their official character. If refugees are admitted outside of the regular immigration procedure, no information as to whether or not any of them might be so classified, would be elicited.

Mr. Chairman, under the terms of the resolutions before the committee, any anarchist or Communist may be admitted upon establishing the fact that he is a bona fide political or religious refugee. The refugee may also be a white slaver, a narcotic peddler, or even an habitual criminal and yet secure admission within the spirit of the resolutions, providing only that he has not a loathsome or contagious disease.

To be sure, I recognize the fact that these persons are to be kept under restraint but if the experience of the past 20 years teaches us anything, I venture to suggest it will not be long before organizations sponsoring these resolutions will be coming before your committee to lament the confinement of aliens on American soil in concentration camps because of their political or religious beliefs.

To sum up, Mr. Chairman, I and my associates feel that the Congress and the American people are faced with another and most serious drive to undermine and ultimately destroy the whole policy of restriction upon immigration into the United States. It has been shown that upon humanitarian grounds it is infinitely preferable that all refugees from Axis territory be cared for temporarily in north Africa, and that the probability is that not only will these refugees not return to the land of their birth but also that there are millions in Europe who will probably be forced to migrate elsewhere on the conclusion of hostilities. Any refugees admitted into the United States now who have children born on United States soil will raise the question that they should not be deported because to do so would involve either the separation of the family or the deportation of an American citizen.

If additional legislation is necessary to establish more refugee camps in north Africa,

I will urge my associates to support it. However, I think it is very clear that U. N. R. R. A. has ample authority to expand the existing camps now in the Middle East and north Africa, indefinitely.

As the matter stands, therefore, the American Coalition is opposed to the passage of any one of the resolutions whose numbers are set forth in this statement. Our organization is on record in its annual convention of this year in behalf of total exclusion of all immigration into the United States.

Respectfully submitted.

JOHN B. TREVOR.

WASHINGTON, D. C., July 12, 1944.

Mr. REYNOLDS. I also ask to have printed at this point in the RECORD a letter addressed to the Honorable SAMUEL DICKSTEIN, chairman of the House Immigration Committee, and the members of the committee, dated July 27, 1944, by the National Council, Junior Order United American Mechanics, whose national secretary is James L. Wilmet, of Philadelphia, Pa. The letter and the statement previously submitted for the RECORD bear directly upon the question of refugees and immigrants being admitted to this country at this time at the expense of the American taxpayers.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL, JUNIOR ORDER

UNITED AMERICAN MECHANICS,

Philadelphia, July 27, 1944.

HON. SAMUEL DICKSTEIN, M. C.,

Chairman, House Immigration Committee, and the Honorable Members of said Committee, House Office Building, Washington, D. C.

GENTLEMEN: There are pending before your honorable committee for hearings, consideration, and report, certain House resolutions which have for their object the relief of persecuted peoples of Europe of racial and religious minorities, and commending the action of the President, etc. These House bills, and particularly House resolutions, have increased in number and volume since the invasion of Italy, when the plight of these persecuted peoples has been brought specifically to the attention of our fighting forces, and through our representatives, to the American people.

The accounts of these atrocious outrages of peace-loving people by the Axis powers constitutes one of the darkest records of persecutions in all civilized history. Allowing for some overemphasis of persecutions, wholesale king's murders and outrages which have reached us through the press and by word of mouth, we are confident that the situation of these people of racial and religious minorities is critical in the extreme, and that their sufferings from hatred and persecution know no bounds.

The resolutions in question are designated by the following numbers: House Resolution 576, by Congressman DICKSTEIN, of New York, chairman of this honorable committee; House Resolution 581, introduced by Congressman LANE, of Massachusetts; House Resolution 583, introduced by Congressman ROWAN, of Illinois; House Resolution 584, introduced by Congressman MARCANTONIO, of New York; House Resolution 585, introduced by Congressman SCANLON, of Pennsylvania; House Resolution 587, introduced by Congressman CELLER, of New York; House Resolution 588, introduced by Congressman TORRENS, of New York; and House Resolution 594, introduced by Congressman BYRNE, of New York. Practically the same text or language is used in all these resolutions, with the exception of

House Resolution 587, by Congressman CELLER, and is as follows:

"Whereas it is common knowledge that countless thousands of innocent persons, of all racial groups and religious beliefs, in many of the countries of continental Europe have been murdered or otherwise ruthlessly persecuted by the Axis nations; and

"Whereas it is accepted by well-informed people that unless something is done in the immediate future countless more thousands will be murdered or otherwise ruthlessly persecuted; and

"Whereas under the present existing immigration laws, unlike the limitation on the number of persons who may come to the United States permanently as immigrants, there is no such limitation on the number of those who may come temporarily; and

"Whereas the United States can and should contribute its facilities for the temporary relief of such persons by admitting some of these distressed people temporarily to specified areas to be known as free ports for refugees: Therefore be it

"Resolved, That it is hereby declared to be the sense of the House of Representatives that the President should take such action as is necessary, within Executive powers under existing law, to admit temporarily into designated areas within the United States, to be known as free ports for refugees, aliens who can establish satisfactorily that they are bona fide political or religious refugees from countries in continental Europe, such temporary admission to be conditioned that such aliens will remain in the prescribed areas, will be admitted for a period not to exceed 6 months after hostilities have ceased, and shall not thereby be considered as having acquired any rights to be or remain in the United States: Provided, however, That it is further the sense of the Congress that no persons should be admitted, in accordance with the spirit of this resolution, if they are afflicted with any loathsome, dangerous, or contagious diseases.

"It is further urged as being within the spirit of this resolution that as time is strictly of the essence in the success of the purpose of this resolution, the President is urged to act as soon as possible."

The object of these resolutions is to call attention of the people to the persecution and outrages committed upon these minorities, and to declare that in the sense of the House of Representatives the President should take such necessary action to admit temporarily, into designated areas within the United States, refugees, it being expressly stated that "within Executive powers and under existing law" the President should act.

We submit that there is nothing in the existing immigration laws which would authorize the Chief Executive of this Nation to set aside the immigration laws in order to effectuate the "sense of the House of Representatives as expressed in this resolution." If, then, existing law does not permit the admittance of these refugees under the resolutions the action proposed to be taken by the President is limited to within executive powers under existing law. The President, in his message to Congress, dated June 12, 1944, states that the purpose of establishing the War Refugee Board was closely related to our whole war effort. We fail to see wherein the establishment of the War Refugee Board or the action of the President in establishing havens of refuge in this country is related to the war effort. Such action will certainly not contribute to the final outcome of the war. It must, therefore, be based on humanitarian grounds. It is doubtful if the President possesses the power to take this action under existing law or in the exercise of war powers conferred upon him by Congress. Otherwise why was a message submitted to Congress by the President in 1942 requesting plenary powers over

the movement of persons and things, which request was referred to the House Ways and Means Committee and, after due consideration, the authority was refused? The exercise of power which these resolutions encourage the President to exercise do not seem to be in keeping with the plenary power he requested over movement of persons, and to our minds there is a close relationship between the two.

The President states in his message of June 12, 1944, that in view of the urgency and extremity of the situation he has taken steps to save additional lives, and that this is being done by establishing havens of refuge here in America, where these persecuted peoples can find temporary housing in unused Army camps where they can be cared for, fed, clothed, and receive medical attention, and that arrangements have been made to bring immediately to this country 1,000 refugees who, at the close of the war, will be sent back to their homelands.

We submit for the consideration of this honorable committee that the United States has immigration laws which have been worked out over a long stretch of years, for the purpose of keeping out of America undesirable aliens. These immigration laws are worked out in much detail, and the exact steps to be taken before an alien can be considered for admission to the United States as a resident have to be complied with in much detail. These restrictions, limitations, and directions as to procedure apply on both sides of the ocean—to the consular officers of the United States in the country from which the alien desires to emigrate and also to the port of entry where the immigrant lands.

The people of the United States have adopted these immigration laws for their own protection. It may be stated that while strict, these regulations are extremely liberal—much more so than those of other countries, even nations who, in this war, are our allies.

Prior to the adoption of the immigration laws of 1917 the United States was an open country and was most generous in the admission of aliens. The law of 1917 imposed restrictions, as did the act of 1924, which established quota provisions based upon the census of 1890 as to the number of immigrants admitted from various countries. The Congress acted wisely in enacting restrictive measures. Restriction is now a well-settled policy with the American people. These laws were enacted for the protection of our citizenship, and applied to social conditions as well as to labor and economics.

The present measures and House resolutions and the message of the President, to which reference is made above, have for their object the temporary suspension of our immigration laws. It is now proposed to bring in 1,000 of these people from southern Italy, regardless of immigration laws and regulations. Notwithstanding the solemn promise that these refugees will be repatriated after the war, we are fearful that this promise may not be fulfilled.

There is no statement contained in any of these measures. Resolutions, or the message of the President, that these aliens are eligible or qualified for American citizenship. The entire action is based on humanitarian grounds. Apparently no selection whatever is to be made of these immigrants, but they are to be brought over en masse, regardless of qualifications or former associations. How are we to know whether certain of them are criminals, Communists, crooks, or otherwise undesirable? There seems to be a feeling that refugees are being ennobled by their sufferings. We contend that the plan adopted is not best either for the persecuted peoples or for the people of the United States. Granting that this may be but a temporary

expedient, it will be a costly one for the people of the United States as to travel, subsistence, housing, and lodging.

If we are to judge refugee immigrants by those alien immigrants who came here before or during the first World War who did not undertake any activity in destroying the very tyrants who had oppressed them, but instead joined groups and movements which had for their object the destruction of the American system of government, we may expect no gain or benefit by their being brought here now.

The American people have the right, and have exercised that right through Congress, to say who shall come as aliens for temporary or permanent residence in the United States. That pronouncement has been made in our laws and is binding on the legislative and executive branches of our Government as well as the people under whose direction these laws were enacted.

The right is reserved in our laws to reject applicants for admission to the United States who do not meet certain requirements. These restrictions are not unjust to foreigners, because foreigners have no rights in the matter, neither have these refugees any rights to admission. When an alien is admitted to this country and later becomes a citizen, that is a privilege conferred upon him by our laws, and it cannot be construed as an inherent right. The United States through its Congress can legislate to exclude all immigration, and, for that matter, to restrict the right to vote and hold public office to native-born American citizens.

We think the admission of 1,000 refugees from southern Italy as a sample would not make any very great difference in the problem of taking care of them at public expense, but we are fearful that this first 1,000 would be the beginning or first movement and that there would be many other thousands to follow with the conditions of their admission being gradually relaxed, and through appeals for sympathy our immigration laws would be further set aside, and there would be conferred a legitimate immigrant status on unselected thousands, with almost complete disregard of legal standards or desirability.

We also fear that when the war is over we will hear nothing more about these refugee aliens being returned to their homelands. Due to intolerable social and political conditions in the European countries whence they come, repatriation may be impossible. It is, therefore, likely that Congress will be asked to relax the provisions of the immigration laws to permit these refugees to settle here in America permanently.

We contend that suffering cannot be made the basis for the flaunting of laws of long standing, and setting them aside by Executive order, on the theory that the action taken will contribute to the war. How much is the war going to be promoted by the bringing in of one thousand or tens of thousands of refugees to the United States? Probably not one iota. We are not satisfied that this problem is being handled legally or in the interest of our American people.

The annual report of the Attorney General discloses that quotas from many European countries are not being filled, let alone exceeded. Why would it not be a better plan, as well as legal, to admit these refugees under the quota system from these countries of which they are citizens? If there is to be mass movements of these people such as is indicated by the first thousand, why should not the War Refugee Board make arrangements to settle these people in places where they can contribute something to the growth and development of the country? There is plenty of room in Palestine, but there are some political considerations which might interfere. Shall America be made the dumping ground of persecuted refugees because

Great Britain does not choose to stand by the Balfour agreement made following the First World War, for settlement of racial minorities in Palestine? What is to hinder our Government, through the Secretary of State, who is Chairman of the War Refugee Board, from taking up with those countries which have dominions in northern Africa, where immigration is badly needed to develop growth of the country, the proposition of settling these refugee people in those sparsely settled regions permanently where their work is needed and where they can earn a living and contribute something to the public good?

What good will it do these people to be housed here in Army camps so far as their ultimate good is concerned, to be fed and clothed at public expense? The best thing that can be done for any people is to put them in position so they can provide for themselves and earn their own living, whether it's farming, merchandising, or any other of the usual avocations of life. If these people could be located in places where their work and labor are needed, and the same help extended to them on the basis of the same expense as will be involved in bringing them here, maintaining and returning them, they will have something in these new-found homes in Africa and Palestine by which they may be able to establish themselves and to earn an honest living.

We hope some better way can be devised for helping these poor peoples than the temporary expedient which is being adopted and that the House Immigration Committee in its wisdom may so amend the resolutions and bills now before it as to bring out a legal measure which will not be open to question and not in violation of immigration statutes.

Respectfully submitted.

W. A. CLARK,

ROSS HORNER,

R. L. McCLANNAN,

National Legislative Committee.

R. B. GARRETT,

National Councilor.

WM. H. MURPHY,

National Vice Councilor.

RALPH MORRIS,

Junior Past National Councilor,

National Board of Officers.

JAMES L. WILMETH,

National Secretary.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. REVERCOMB. I address this question to the Senator from North Carolina. If his amendment is adopted, will it result in doing away with the present control quotas on immigration?

Mr. REYNOLDS. Yes.

Mr. REVERCOMB. It would provide an absolute bar?

Mr. REYNOLDS. An absolute bar; yes.

Mr. REVERCOMB. Does not the Senator feel that it would be better to maintain strict control quotas and really enforce them, rather than to provide this absolute bar against any person coming into the country?

Mr. REYNOLDS. I should say, Mr. President, absolutely not, because we have in this country, as the testimony has revealed, between five and six million aliens, and they are taking jobs which rightfully belong to our own citizens, our own men and women who are bleeding and dying at this time for this country and to save the homelands of many of these aliens. I respectfully submit that it is at least my duty to try to

keep out of this country every person who would take a job which rightfully belongs to an American citizen, who may at this time be bleeding and dying for his country. We should save jobs for those of our men and women who are now in the armed services all over the world, who will need jobs at the end of the war, as well as men and women who will come out of our war plants and who will be wanting jobs.

Mr. REVERCOMB. Mr. President, will the Senator again yield?

Mr. REYNOLDS. I yield.

Mr. REVERCOMB. I may say to the Senator from North Carolina that, as he well knows, I have stood constantly against extended entrance of aliens into this country, but it seems to me that with strictly controlled quotas established under law, and with a proper regulation according to law, the situation can be met, rather than by an absolute freezing against any individual coming here. There are instances when it is proper to admit into this country persons of other lands—for instance, when they may send for an immediate member of the family. I am in agreement with the Senator from North Carolina with respect to preventing any extended immigration. And I stand also for the proposition that American people must be given the first opportunities of work here and protected in that right. But an absolute bar against any individual's coming in seems severe. Let the subject be strictly controlled to the best advantage of our own country and our own people.

Mr. DANAHER. Mr. President—

Mr. REYNOLDS. Does the Senator wish to ask me a question?

Mr. DANAHER. I have no question to ask the Senator. I wish to ask for the floor.

The VICE PRESIDENT. Has the Senator from North Carolina concluded?

Mr. REYNOLDS. I yield the floor.

Mr. DANAHER. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DANAHER. Is a motion to refer the pending amendment to the Committee on Immigration and Naturalization in order?

The VICE PRESIDENT. No; it would not be in order.

Mr. DANAHER. I had hoped, Mr. President, that it would be in order, to the end that we might send so important and so substantive a matter to a standing committee of the Senate for consideration, because at this hour in the consideration of the pending bill, for us to attempt to pass upon the substance of a law which has been carefully arrived at after considerable study, and which is embodied not only in the immigration laws of 1924, but as amended in 1940, would be to take a grievously unfair and erroneous course. I feel so strongly on the subject that I would have been perfectly willing to submit the matter to the consideration of a standing committee, which might inquire into all the facts, but in the absence of parliamentary provision making that course possible I must strenuously object to the amendment as offered.

Mr. REYNOLDS. I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is upon agreeing to the amendment of the Senator from North Carolina.

The amendment was rejected.

Mr. REYNOLDS. Mr. President, today there has been discussion of a controversial matter during which some mention was made of the unions and that they were exerting too much influence here. I am for organized labor. I am glad to see the labor unions of this country taking much more interest in public affairs. In many letters which I have received from virtually every State of the Union the writers say that the American people should take more interest in our public affairs. I am glad to see the labor unions take more interest in our public affairs, because that will result in making others take more interest in public affairs. Being interested, as I am, in the unions themselves, and particularly in the union members, and being interested in seeing that the dues-paying members are well advised regarding the conduct of their respective unions, and being interested in seeing to it that no Communists or Nazis or Fascists shall be officers or members of unions, I offer an amendment which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following:

Whereas it is essential that the public be fully informed with respect to the activities of the various labor organizations whose members are engaged in the production of articles and materials which are vital to the war effort; and

Whereas the officers and agents of such organizations should all be American citizens whose allegiance to the United States is unquestioned and who can be depended upon to aid the Government in suppressing industrial sabotage and other subversive activities which tend to impede, undermine, or defeat the war effort: Therefore be it

Resolved, *etc.*, That within 30 days after the date of enactment of this act and annually thereafter every labor union or other labor organization (a) which represents, or purports to represent in any manner the interests of any persons employed by any business enterprise which is engaged in interstate or foreign commerce, or in the production of goods for such commerce or for national defense or war purposes, or (b) whose activities in representing the interests of employees extend to more than one State, shall through its president or other authorized officer, register its identity with the Department of Labor, and state under oath the following information, and such other information as the Secretary of Labor may by regulation prescribe:

- (1) The name of the labor union or other labor organization;
- (2) The address at which it has its principal office or does business;
- (3) The names, titles, and salaries of its officers;
- (4) The initiation fees charged each member;
- (5) The annual dues charged each member;
- (6) The assessments levied against its members during the past 12-month period;
- (7) The limitations on membership;
- (8) The number of paid-up members;
- (9) The date of the last election of officers;

(10) The method of election of officers:

(11) The vote for and against each candidate for office at any election held during the past 12-month period; and

(12) The date of the last detailed financial statement, if any, furnished to all members and the method of publication or circulation of such statement.

With such information there shall be filed a copy of the constitution and bylaws of the labor union or other labor organization, and there shall be filed under oath a detailed and intelligible financial statement showing the receipts and expenditures of such labor union or other labor organization during the past 12-month period.

Sec. 2. Every such labor union or other labor organization established after the date of enactment of this joint resolution shall, when established and annually thereafter, register with the Department of Labor and furnish the information required of existing labor unions and other labor organizations under the preceding section.

Sec. 3. Any labor union or other labor organization which fails to register with the Department of Labor and file the information required by this act shall be disqualified to act as the representative of employees in collective bargaining during any period that such failure continues and, in addition, shall be fined not more than \$5,000.

Sec. 4. (a) It shall hereafter be unlawful for any labor union or other labor organization which is required to register with the Department of Labor to have as an officer or agent any person—

(1) who is not a citizen of the United States;

(2) who is a Communist, Fascist, or member of any Nazi bund organization;

(3) who has been a member of or affiliated with any Communist, Fascist, or Nazi bund organization within the 2-year period prior to the date of enactment of this act;

(4) who is ineligible to hold public office; or

(5) who has lost his rights to United States citizenship by reason of conviction of a felony.

It shall be the duty of each such labor union or other labor organization to use due diligence to determine whether any of its officers or agents is a person who is prohibited from being such an officer or agent under the provisions of this subsection.

(b) It shall hereafter be unlawful for any person described in subsection (a) to be an officer or agent of any such labor union or other labor organization.

(c) Any labor union or other labor organization, or any person, who willfully violates any of the provisions of this section shall, upon conviction thereof, be fined not more than \$10,000; and each such violation shall be deemed to be a separate offense.

Mr. REYNOLDS. Mr. President—

The VICE PRESIDENT. The preamble and resolving clause of the resolution offered by the Senator as an amendment are hardly in order. The Chair assumes that the Senator would not object to omitting the preamble and resolving clause.

Mr. REYNOLDS. I shall be very glad to do so, Mr. President. I have not had the opportunity of changing the phraseology as to meet the requirements.

The VICE PRESIDENT. Without objection, the preamble and resolving clause are omitted.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. REYNOLDS. I yield.

Mr. O'MAHONEY. Is not this amendment the same as Senate Joint Resolution 9?

Mr. REYNOLDS. It is.

Mr. O'MAHONEY. Which the Senator introduced in January 1943?

Mr. REYNOLDS. Yes.

Mr. O'MAHONEY. Was the joint resolution referred to the Committee on Education and Labor?

Mr. REYNOLDS. It was.

Mr. O'MAHONEY. Did the committee take any action on it?

Mr. REYNOLDS. It did not.

Mr. O'MAHONEY. Is it still pending in the committee?

Mr. REYNOLDS. It is still pending.

Mr. REYNOLDS. Mr. President, relative to the subjects which I have discussed here this afternoon, namely, the stopping of all immigration for the next 5 years, and the registration of labor unions, I wish to state that I directed letters to Hon. ROBERT TAFT, chairman of the platform committee of the Republican Convention at Chicago, and Hon. JOHN MCCORMACK, chairman of the platform committee of the Democratic Convention at Chicago. I ask that those statements be published at this point in the RECORD, without my taking the time to read them.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SENATOR REYNOLDS DECLARES AMERICAN NATIONALISTS GAIN

"The American Nationalists Committee of Independent Voters is progressing most satisfactorily," stated United States Senator ROBERT R. REYNOLDS recently when questioned in regard to the progress of the newly formed committee.

This committee was created some several weeks ago, at which time its temporary national chairman, Senator REYNOLDS, issued a press release to the effect that American Nationalists were preparing to launch a movement which would cover the entire United States.

The committee has its headquarters located at 215 First Street NE., Washington, D. C. Indications are, according to its temporary national chairman, that this committee will develop into an organization much larger than the America First Committee which was sponsored by leading Americans prior to Pearl Harbor. At the present time it has members from every single State of the entire Union, and at a later date it is understood that units of 10 will be organized throughout the entire country. It is the intention of those in charge of the organization work to bring about the setting up of units in every block of every city, on every street of every village, and in every township of every county throughout the entire country.

The plan calls for the development of units of 10 individuals, no more than 10, say the organizers, so that every member of every unit will know personally the individuals constituting that unit. By this means subversive elements will not be able to worm their way into the organization and begin boring from within as was experienced by a number of the chapters of the America First Committee.

After units have been organized throughout the United States, then State directors will be set up and these State directors in all probability will be selected by the chairman of the hundreds of units in each State, according to the Senator.

When questioned about the attacks made by radio commentator Walter Winchell, pertaining to the organization of this national committee, Senator REYNOLDS said:

"Frankly, I welcome these attacks. Winchell has on two occasions fired at the American Nationalists Committee and as a result of his attacks we have received thousands of letters throughout the country requesting information about the objectives of the committee. We never would have received all these inquiries if it had not been for Mr. Winchell's publicity. As a result of these letters we have secured thousands of new members. Really, a knock from Winchell is a boost for any real American organization. We American Nationalists believe in tolerance. However, we believe that tolerance is a two-way street and we are of the opinion that it should be practiced by those who preach it.

"In the minds of some people, anyone who speaks out in the interest of America, anyone who speaks out against internationalism, is a Nazi Fascist, or a traitor to his country. Just say one word against communism and you will be damned from one end of the country to the other by certain people. Say what you will—American thoughts are returning to American shores and this country is headed toward nationalism. The fact is, it is here now because the people are realizing that Mr. Churchill, of England, is looking after the British Empire; Mr. Stalin, of Russia, is looking after the Soviet Union, and the American people are now beginning to demand that American leaders look after the interests of America first and not last."

Joint Resolution 9

Resolution by REYNOLDS would require unions to make accounting to dues-paying members; bar aliens from serving as officers of unions, etc.

1. Why? Because 90 percent of the members of all the unions want this bill enacted into law for their own personal information and benefit. They would appreciate a statement of what becomes of the monthly dues which each year amount to millions of dollars.

2. Why should the unions not be required to register and show their source of income and disbursement? All American business firms and individual citizens, also all political parties, must file a statement with the Government showing their incomes and disbursements.

This accounting feature adopted by amendment to the 1944 tax bill requiring labor unions to render financial accounting to Federal Government.

3. Why should aliens be allowed to enter the United States and become officers of labor unions? Aliens are without rights in any country except as visitors, but such aliens as Harry Bridges and many others have defied the laws of this country.

4. Why should racketeers be permitted to serve as officers in unions, using the unions as a source of illegal income without making a report to their unions in many instances and to the Government?

5. Senator REYNOLDS' compulsory registration bill, known as Senate Joint Resolution No. 9, is designed to stop these practices. This resolution has the backing of millions of American citizens, which includes members of labor unions, business concerns that employ labor, and the mothers of our soldiers and sailors.

6. The opposition to this bill consists of a small minority under the leadership of certain labor racketeers. The time is here to put a stop to these practices.

UNION ACCOUNTING ACT UPHOLD IN DAKOTA

SIOUX FALLS, S. DAK., August 1944.—Constitutionality of 1943 South Dakota legislation requiring labor unions to file annual statements of income and expenditures with the secretary of state upheld by Circuit Judge Lucius J. Wall.

[From the National Record of August 1944]

PLATFORM PLANKS SUGGESTED BY AMERICAN NATIONALISTS FOR REPUBLICAN AND DEMOCRATIC PARTIES

Senator REYNOLDS, temporary national chairman of American Nationalists Committee of Independent Voters, addresses letter of suggestions to chairmen of the platform committees of the two major parties. It reads:

Hon. ROBERT TAFT,
Chairman, Platform Committee,
Republican National Executive
Committee, Chicago, Ill.

Hon. JOHN MCCORMACK,
Chairman, Platform Committee,
Democratic National Executive
Committee, Chicago, Ill.

MY DEAR MR. CHAIRMAN: As temporary national chairman of the American Nationalists' Committee of Independent Voters, I respectfully desire to submit herewith suggestions for planks in your platform now formulating for the 1944 Presidential campaign, upon which, naturally, senatorial and congressional candidates (nominees) will base their arguments.

Before outlining the suggestions and objectives submitted herewith, I respectfully wish to advise for your information and that of your committee associates, that the membership (Nation-wide) of the American Nationalists' Committee of Independent Voters is made up of Democrats, Republicans, and independent voters. These parties designated, Democrats, Republicans, as well as independent voters, are American nationalists who believe in looking after the interests of America first and not last.

The American Nationalist believes:

1. That we should be for America first and not last. We should look after the interests of our own people and our own country before attempting to fee, finance, rehabilitate, and clothe the entire world.

2. That when these wars have been won in every part of the globe we should bring our boys home to their loved ones, their fathers, and their mothers, their sweethearts, and their wives—no international police force.

3. That we should not merge our Government with any other government of the world, and we should not give up any part or portion of our sovereignty to become a portion of a world state.

4. That we should have a strong, free America, politically, economically, and militarily independent of any and all European and Asiatic powers.

5. That we should stop all immigration now. More than 600,000 aliens have entered this country since the present war began on September 3, 1939. This should be stopped at once. These people coming here will never leave. We should save all jobs for our men and women, boys and girls in uniform, who are fighting throughout the world.

6. That there should be protection of American labor, industry, and agriculture against cheap European and Asiatic labor by maintaining adequate protective, but not exploitive, tariffs.

7. That we should encourage free enterprise, individual initiative, the American system of government, providing opportunities for all.

8. That we should maintain friendly relations with all nations that show a sincere desire to cooperate.

9. That we should have government by legislative action solely as provided in the Constitution and Bill of Rights and complete separation of the legislative, executive, and judicial branches of the Government.

10. That decentralization of Government and restoration of States' rights in its fullest

sense is desired, together with the introduction of sound business practices and economies in the conduct of the National Government.

And above all we are opposed to rule by Communists, their fellow travelers—the pinks—and deplore the practice of employing Communists, or any one imbued with communism, nazi-ism, or fascism, in any division of our Government.

The afore-mentioned "beliefs" and objectives of we American nationalists are vital to the future of our country, in our opinion, and we sincerely trust and hope that your committee may recommend and that your convention will adopt planks covering our objectives.

However, we are particularly anxious that planks be adopted by your committee, recommending:

(a) The immediate stoppage of all immigration to this country now so that all jobs may be preserved for America's returning soldiers (male and female) and for the protection of American labor. When this war will have ended, millions of men and women now in uniform will be returning to American soil from all parts of the world. They will be looking for jobs, their old jobs or new jobs. The millions of Americans now engaged in industry in this country will be displaced immediately after the war because, in our opinion, reconversion will not come sufficiently rapidly to absorb them. Therefore, it is necessary to preserve and maintain every available job for American citizens. If we permit the influx of aliens into this country such as has taken place since war began in Europe on September 3, 1939, then we will permit this influx of aliens to take the jobs that rightfully belong to American nationalists.

An order has been issued by the President permitting 1,000 aliens, refugees, to enter the United States and to occupy abandoned camps of the Army. This is merely the opening wedge. Once the foot is in the door endless thousands will follow. The explanation given is that they are in the way in Italy. It would be much better to transfer them across the Mediterranean and place them in camps in north Africa where they could be more speedily returned to their homelands when this war is over. Once these refugees and aliens are permitted to come here they will never be returned because already there is a campaign in progress to keep them here after the war and not return them to their respective homelands. We are desirous of protecting American labor and for that reason we demand the stoppage of the influx of refugees and the stoppage of all immigration through our gates to American soil.

(b) That any alliance or alliances of a permanent nature with any country or countries be discouraged where our sovereignty would be endangered or wherein our Nation would be prohibited free and independent action. We insist upon a pledge of United States collaboration with world nations to prevent war where such collaboration will not endanger or curtail the sovereignty of this Nation. We all seek peace, but we first want to win the war and win it at the earliest possible moment with a view to saving American lives. We should pledge ourselves to protect the interests and resources of the United States and maintain our position of supremacy on the sea, on land, and in the air because, in our opinion, the best protection against war and for peace insofar as we are concerned is to look after our own national defenses in the Western Hemisphere, concentrating these defenses from the Panama Canal to the Arctic Zone. In resolving for peace we respectfully insist that any peace to be derived at will be in accordance with the Constitution of the United States. We are opposed to an international police force. We respectfully insist that the inter-

ests of America be considered primarily and firstly, and we are opposed to any world-wide W. P. A., and to our spending billions of dollars throughout the world to educate those of other countries to our way of life, such as has been suggested through legislative proposals and now before one of our committees here. In other words, we insist upon America discontinuing to be the Santa Claus of the 2,000,000,000 people on the face of the earth and revert to America's looking after the interests of America.

We think that any plank relating to the war and peace should embody a clear declaration in definite terms pertaining to our objectives. Ambiguous plank resolutions will only tend to more confuse the people. America is entitled to know the aims and the definite objectives of our country, and we hope that a plank pertaining to this particular feature will speak plain, understandable language, and will be definite, without ambiguity, and to the point. We all know where we are, but now the American people are demanding to know where we are going.

(c) That all labor unions and organizations be required to register with the Federal Government and provide the authorities thereof and the dues-paying members of their respective locals and units with semiannual reports of financial statements embodying receipts and expenditures of these respective labor organization and that no alien, Communist, Nazi, Fascist, or any member of any subversive organization be allowed to hold office in any labor union or organization.

(d) That the Department of Labor be reorganized and that the innumerable administrative agencies (about 26 of them) dealing with labor subject be at once coordinated and placed in the Department of Labor under the direction of a Secretary satisfactory to labor itself. We believe this to be necessary for the promotion of America's well-being in the establishment of favorable labor psychology in securing fair and sound labor relations.

(e) In further respect to labor, we are of the opinion that experience has time and again shown that the National Labor Relations Act should be amended requiring the National Labor Relations Board to carry out both the spirit and the purpose of the act. We believe that the workers should be vested with the authority to ascertain for themselves the kind and character of a collective bargaining agency which would be suitable and serviceable to them; that the Board should not be permitted to arbitrarily determine the kinds of collective bargaining agents for the workers employed in industry but that this authority should be conferred upon the workers themselves. We believe this to be the democratic procedure.

(f) That plank recommendations may be embodied in your platform pertaining to the elimination of waste, unnecessary expenditures in the employment of surplus Government workers, and a resolution calling for the reduction of taxes immediately after the expiration of the war to the extent of prohibiting the Federal Government from exacting of individual taxpayers more than 25 percent; this, of course, taking into consideration the fact that individuals must pay State and county taxes, and innumerable other taxes, many of which are hidden.

In conclusion, Mr. Chairman, I take pleasure in enclosing herewith a copy of The American Nationalist, which is the official organ of our national committee.

With assurances of my highest esteem, I beg to remain,

Very respectfully yours,

ROBERT R. REYNOLDS,

Temporary National Chairman,
American Nationalist Committee,
Washington, D. C.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. REYNOLDS].

The amendment was rejected.

Mr. DOWNEY. Mr. President, I shall intrude on the time of the Senator for only 3 or 4 minutes. I offer an amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from California will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

SEC. 1202. (a) The Board is authorized on behalf of the United States to enter into agreements with any State or with the unemployment compensation agency of such State under which such State agency will make payments supplementary to those under its unemployment compensation law in accordance with the provisions of this section. Such agreements shall provide for supplementing any payment of unemployment compensation payable under the unemployment compensation law of such State or payable under an agreement made pursuant to title XIII of this act (relating to unemployment compensation for Federal employees) by such amount as the State may elect, not in excess of the amount found by the Board to equal an additional \$10 for a week of total unemployment, or the equivalent for a partial week of unemployment, for which compensation is payable under the State law or under an agreement made pursuant to title XIII. No such agreement shall be valid if compensation to any individual under the State unemployment compensation law will be denied or reduced by reason of any payment made pursuant to such agreement or if the compensation payable to any individual under such State law is less than it would have been under the law of such State as it existed on July 1, 1944.

(b) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all supplemental payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

(c) In case of an agreement under this section that a State agency will make supplemental payments, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under this section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of such supplemental payments. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

(d) Determinations of entitlement to such supplemental payments made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance

to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act.

(c) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification.

Mr. DOWNEY. Mr. President, the heart of the amendment is in subdivision (a). In effect, it would give the unemployment compensation administration in each State the right to amplify payments within the State, under State standards, by drawing upon the United States Government for a sum not to exceed \$10 a week.

Mr. President, I have been somewhat shocked as I read the figures showing the amount of money which is now being received in the various States as unemployment compensation. Roughly the payments average about \$14 a week, or less than \$60 a month. Nearly every one of those unemployed persons is married and has children. I am wondering if Senators think that we must restrict unemployment compensation to workers, when they cannot get jobs, to an average sum of less than \$60 a month.

I do not wish to intrude further upon the Senate at this time. I do not wish to add to the burdens of the distinguished Senator from Georgia [Mr. GEORGE]. He somewhat encouraged me in the hope that he might be willing to take this particular amendment to conference, because he stated that he distinctly recognized the possibility that in the coming months it might be necessary for the Federal Government to add to the employment compensation payments being made in the various States by some sort of payments from the Federal Government.

It seems to me that in this country, which will have such titanic production power in the post-war era, to look forward to having workers who cannot get jobs receive less than an average of \$60 a month is not a very happy picture.

I also desire to point out to the Senate, and particularly to the distinguished senior Senator from Georgia, that these payments are based upon war salaries. Probably within 6 months after the war is over these payments will drop down in amount to probably an average of \$11 or \$12 a week, or perhaps an average of approximately \$50 a month. The largest payments which are made in the United States are made in the States of Connecticut and Michigan, as I recall, where a sum in excess of \$19 is paid. Then come California and Utah, with payments of \$18; and then come the other States, with payments ranging down to \$7 a week.

If my amendment were agreed to it, it would not be a heavy burden on the people of the United States. It would tend to provide clothing, food and shelter with some degree of decency.

I know the matter is too important to be finally passed upon by the Senate at this time. I wonder if the distinguished senior Senator from Georgia feels that the matter is one which he should and could take to conference.

Mr. GEORGE. Mr. President, I could not agree to do that. In the first place, I do not know that I would be a member of any conference committee which would consider the bill. That would very much depend on the course the measure takes in the House of Representatives. I could not agree to any such suggestion as the one the Senator from California has made. The matter is one of great importance. But I could not agree to take the Senator's amendment to conference. It might cost more than the Kilgore bill would cost. Without consideration, I would not like to have it added to the bill. The amendment of the Senator from California presents in a general way the same issue which we have discussed.

I wish to make my position perfectly clear. It may become necessary for the Federal Government to take some steps to assist the workers, if they should become unemployed and if the period of unemployment should extend over a considerable length of time. The question whether that should be done by public works or by other appropriate Federal action is one which I think is of the gravest concern and of the highest importance, and it should be carefully examined. I would not be able to take the Senator's amendment to conference. I regret that he has offered it at this time, after we have been so heavily engaged in the consideration of the general subject during the week.

Mr. DOWNEY. Mr. President, I can assure the distinguished Senator that the cost of my amendment would be very negligible as compared to the cost of the Murray-Kilgore amendment. Senators themselves may easily make the calculation. If there should be 5,000,000 unemployed, my amendment would add \$10 a week to their allowance, which would be approximately \$50 a month or \$3,000,000,000 a year. If there were 10,000,000 unemployed, of course, the total amount added by my amendment would be \$6,000,000,000 a year.

The only reason why I am suggesting my amendment is that I think every Member of the Senate must know that no American family can live in human decency on as little as \$30, \$40, \$50, or \$60 a month. Ninety percent of these workers are married and have dependents. Is it necessary to face the post-war era with a law which, if those workers are unemployed, will bind them down to destitution and poverty? I cannot believe that is the will of the American people. I cannot believe that is good statecraft. I cannot believe it is humanity.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from California. (Putting the question.)

The amendment was rejected.

The question now is on the so-called third Murray amendment, as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

Mr. PEPPER. Mr. President, I merely wish to say a word of explanation of my vote, which will be nay, on the question of the final passage of the bill. This bill, as was stated by the proponents of the George amendment, presents an issue which is very clear and distinct from the issue presented by the Murray-Kilgore amendment. The former position was that the State employment systems under State laws as they now exist, with the single exception of the addition of coverage out of the Federal Treasury to Federal employees—some three and one-half million in number—are all that the Congress of the United States shall provide for the unemployed workers of this country.

I take the position, and I think other Members of the Senate on this side of the aisle do the same, that that is inadequate to protect those workers against the hazards of unemployment. If it were a matter of putting \$2 where we advocated \$3, I would certainly vote for the \$2 rather than for nothing at all.

But, Mr. President, the amendment offered by the Senator from Montana [Mr. MURRAY] and the Senator from West Virginia [Mr. KILGORE] would take care of merchant seamen. The George amendment, as adopted, does not provide coverage to merchant seamen. The Murray-Kilgore amendment provides coverage to farm workers, to the same degree that industrial workers are covered. The George amendment, as adopted, provides no coverage for farm workers.

My State is principally an agricultural State. Agricultural workers are not provided for under the State system at the present time. I am not willing to see that group of workers not provided for, if I have the power to help provide for them.

The Murray-Kilgore bill provides up to 6 months retraining for any worker in the United States—any farm worker, any merchant seaman, any war worker, any clerk, any stenographer—at the expense of the Federal Government. The George amendment does not provide coverage for that class of American citizens and potentially unemployed group.

The Murray-Kilgore amendment provides for coverage for the dependents of the veterans of these wars, up to \$15 a month in addition to what they can now receive, as the Senate formerly provided when the G. I. bill of rights was passed. The George amendment contains no provision whatever for the dependents of the veterans of these wars.

Moreover, Mr. President, the Murray-Kilgore amendment provided that the unemployed of this country could receive benefits up to \$35 a week. It was later modified to provide for the payment of \$25 a week as a maximum, if during the base period the worker had compensation of as much as \$33.33 a week and if he had a wife and at least two children. But, Mr. President, the George amendment does not add one dime in my State to the maximum of \$15 and the average of \$13 a week provided for by the compensation law of the State.

The Murray-Kilgore amendment provided coverage for the unemployed worker for a period extending for 2 years after the expiration of the war, from a date 90 days after the passage of this bill. The George amendment does not add 1 day to the 16 weeks of coverage which my State unemployment compensation law provides for the unemployed of my State.

I am not willing to say that a maximum coverage of \$15 in amount and of 16 weeks in time is all that shall be provided, if I have the power to help effect an increase of such provision for the workers of Florida, if they lose the jobs they now have, and if they are not able to find any other jobs in private employment.

Since it has been stated by the able senior Senator from Ohio [Mr. TAFT] and the able senior Senator from Georgia [Mr. GEORGE] that an issue of philosophy, not an issue of amount, is presented by this question, I repudiate the philosophy of the amendment of the Senator from Georgia, although I personally esteem him, and I adhere to my sense of responsibility as a Senator for the American people when they are unemployed. Yet we have been told this afternoon that it is none of our business if they leave a war plant or a shipyard or a United States navy yard and are unemployed, unless their States desire to provide coverage for them. All who have been added by the George amendment to the group of those covered by the States' systems of unemployment compensation are the Federal workers—not merchant seamen, not agricultural workers, not the members of many other classes.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BREWSTER. Why does the Senator then object to adding those Federal employees?

Mr. PEPPER. I do not object to adding them.

Mr. BREWSTER. The Senator has indicated that he will vote against the proposal.

Mr. PEPPER. I do not object to adding the Federal employees, but I do object to the inadequacy of the bill. I object to the philosophy which would include Federal employees and leave out merchant seamen, farm labor, and many other deserving classes of persons who should be included. I will not discriminate in favor of Federal employees as against other worthy classes of persons who are also entitled to draw upon the gratitude of the Government of the

United States. That is the reason, Mr. President, that I shall vote "nay." Until the Congress shall change its position and accept a philosophy which will admit of the responsibility in part, at least, of the Government of the United States toward the classes covered, and the amounts which they are to receive and the period during which the coverage shall apply, I shall continue to vote "nay" on such matters as this.

SEVERAL SENATORS. Vote!

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. OVERTON. Does not the able Senator from Florida believe that the pending bill will be fashioned very largely in conference between the two Houses?

Mr. PEPPER. I hope it will be, but there will be no way in which to express my philosophy, and the philosophy of many others upon which the conference may act.

Mr. OVERTON. Can there be any conference unless the Senate first acts? Does the Senator believe that it would be best merely to adopt the Lord's Prayer and send it over in order to have something to work on?

Mr. PEPPER. The Lord's Prayer would have a religious stimulus on the Congress as a whole, but it would not, I fear, serve as an adequate unemployment-compensation law.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KILGORE. Is it not a fact that the employment of merchant seamen on the ships plying the high seas has been a direct employment under the United States Government by subterfuge; that is, involving an agency to which the Government pays money which the agency in turn pays the seamen?

Mr. PEPPER. I believe the Senator's statement is correct.

Mr. MAYBANK. Mr. President, will the Senator yield to me for a question?

Mr. PEPPER. I yield.

Mr. MAYBANK. Is it not a fact that when the matter was first brought up some time ago the merchant seamen were given consideration? Should not the question originate in the other House?

Mr. PEPPER. That may be true, but there is no prohibition against it originating in the Senate. I prefer to act whenever we have an opportunity to do so. We can act in favor of the merchant seamen as well as in favor of Government employees. I think if we favor one class we should favor them all.

Mr. CHANDLER. Mr. President, I repudiate the suggestion that the Lord's Prayer is not helpful to anyone, no matter what his circumstances or position.

Mr. BARKLEY. Mr. President, I wish to make a very brief statement in regard to my vote on the pending bill.

In the Committee on Finance I expressed my opinion that the bill was inadequate. I have never modified that opinion. I voted against the George amendment because I believed it was inadequate, and I hoped that it would be

possible to vote affirmatively for the Kilgore amendment. We did not reach that posture in the legislation where it was possible to vote affirmatively upon that amendment. In my opinion, unless we send some bill to the House of Representatives, legislation on this subject will be indefinitely delayed. The other House may not even consider the subject unless we send a bill to it. I have very great hope that this bill will be amended and expanded so as to make it satisfactory. Out of either the House of Representatives or a conference between the two Houses, I hope we may secure legislation which will amply provide what I feel to be necessary in the way of post-war legislation dealing with unemployment as well as conversion, and also the disposition of surplus property. If we vote against the bill now, as it has been finally finished by the Senate, we shall send nothing to the House. We shall not have gained legislation. In that view of the situation I feel it to be my duty to vote for the bill, however unsatisfactory and inadequate it may be, because I think it is necessary to get some legislation started from this end of the Capitol in order that proper post-war legislation may be speedily enacted. With that view of the matter, I shall vote for the bill.

Mr. KILGORE. Mr. President, in line with what the distinguished majority leader has said, I feel that I should make some remarks in explanation of my vote.

I do not think the bill is adequate, and I do not think the Senate should send an inadequate bill to the other House to be perfected.

Mr. HATCH. Mr. President, I rise merely to say that I shall vote "nay" on the pending question. I shall vote that way because I believe the present bill is entirely inadequate and unrealistic. We should enact a bill which would give some form of hope to those for whom we should provide a genuine program. I do not believe the pending bill would do that. I am not altogether sure that I am in favor of the bill sponsored by the Senator from West Virginia [Mr. KILGORE], but I certainly am not in favor of the bill which has been designed and is to be passed through this body by the methods which have been adopted. I need not elaborate on that statement. I shall vote "nay."

Mr. O'MAHONEY. Mr. President, I had not intended to make any comment at this stage of the proceeding, but in view of what has been said I feel it is incumbent upon me to add two or three remarks.

This is not the last day on which the Senate of the United States will be in session. It is not the last day, the last week, or the last month in which the Congress will have the opportunity of considering this matter and matters relating to it. I share the opinion of the majority leader and of many other Members that the bill is inadequate. It deals with only one small portion of a very broad subject. I do not believe that the Senate has done what should be done in providing for unemployment benefits. I am conscious of the fact that a provision of that kind should be made. But this is one step in

a very long journey toward the reconversion of the United States to a peacetime basis. The mere fact that the bill which came to the Senate from the Military Affairs Committee is not being approved this afternoon does not mean that the philosophy which is represented by the bill—a philosophy to which I completely give my adherence—has been abandoned.

Mr. HATCH. Mr. President, I may say to the Senator from Wyoming that, with all his fine words and philosophy, the bill is being killed right now.

Mr. O'MAHONEY. I do not believe so. This measure is going over to the House of Representatives. The House will undertake to act upon this narrow phase of the bill and upon other phases of it, and if provision is not made for dealing adequately with the problem of unemployment, I have no doubt in the world that the Senate and the House will take care of it.

The first step in reconversion is to set up the organization which the bill proposes to set up, and to get it working. If the Senate should not pass the bill now, we would be set back 6 months or a year in dealing with the problem one step at a time. Therefore I shall vote for the bill.

Mr. LANGER. Mr. President, I understood from the chairman of the Committee on Finance today that the bill had been considered for many months. At no place in the bill is agriculture provided for. The Murray-Truman-Kilgore bill went further in the protection of poor people, farm labor, than does the George bill. I want the RECORD to show that I vote against the George bill for the reason that it is entirely inadequate, and discriminates against the farmer.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HAYDEN (when his name was called). I have a pair with the Senator from North Dakota [Mr. NYE], which I transfer to the Senator from Nevada [Mr. McCARRAN], and will vote. I vote "nay." If present and voting the Senator from Nevada would vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I have been advised that if he were present he would vote as I shall vote, and therefore I am at liberty to vote. I vote "yea."

Mr. WAGNER (when his name was called). I have a pair with the junior Senator from Kansas [Mr. REED]. I transfer that pair to the junior Senator from Nevada [Mr. SCRUGHAM], and will vote. I vote "nay."

The roll call was concluded.

Mr. DAVIS (after having voted in the affirmative). Announcing my pair with the junior Senator from South Dakota [Mr. BUSHFIELD] as on the previous vote, I allow my vote to stand. If present and voting the junior Senator from South Dakota would vote as I have voted.

Mr. JOHNSON of Colorado. The senior Senator from Montana [Mr.

WHEELER] is detained. If he were present he would vote "nay."

Mr. GEORGE. Mr. President, I wish to announce that the senior Senator from North Carolina [Mr. BAILEY] is absent. If he were present he would vote "yea."

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at the Mayo Clinic, and that the senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], and the Senator from South Carolina [Mr. SMITH] are necessarily absent.

The Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. McCARRAN], the Senator from Utah [Mr. MURDOCK], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

Mr. WHERRY. The senior Senator from New Hampshire [Mr. BRIDGES], the junior Senator from South Dakota [Mr. BUSHFIELD], the senior Senator from North Dakota [Mr. NYE], the junior Senator from Kansas [Mr. REED], the junior Senator from Ohio [Mr. BURTON], and the senior Senator from Oregon [Mr. HOLMAN] are necessarily absent. If present all these Senators would vote "yea" on this question.

The Senator from Minnesota [Mr. BALL] and the Senator from Idaho [Mr. THOMAS] are necessarily absent.

The result was announced—yeas 55, nays 19, as follows:

YEAS—55

Alken	Ferguson	Russell
Andrews	George	Shipstead
Austin	Gerry	Stewart
Bankhead	Gurney	Taft
Barkley	Hawkes	Thomas, Utah
Brewster	Jackson	Tobey
Brooks	Johnson, Calif.	Tunnell
Buck	McClellan	Tydings
Butler	McKellar	Vandenberg
Byrd	Maloney	Walsh, Mass.
Capper	Maybank	Walsh, N. J.
Caraway	Millikin	Weeks
Chandler	Moore	Wherry
Clark, Mo.	O'Mahoney	White
Cordon	Overton	Wiley
Danaher	Radcliffe	Willis
Davis	Revercomb	Wilson
Eastland	Reynolds	
Ellender	Robertson	

NAYS—19

Chavez	Hill	O'Daniel
Connally	Johnson, Colo.	Pepper
Downey	Kilgore	Truman
Green	Langer	Wagner
Guffey	McFarland	Wallgren
Hatch	Mead	
Hayden	Murray	

NOT VOTING—22

Bailey	Gillette	Reed
Ball	Glass	Scrugham
Bilbo	Holman	Smith
Bone	La Follette	Thomas, Idaho
Bridges	Lucas	Thomas, Okla.
Burton	McCarran	Wheeler
Bushfield	Murdock	
Clark, Idaho	Nye	

So the bill (S. 2051) was passed.

The title was amended so as to read: "A bill to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes."

Mr. DANAHER subsequently said: Mr. President, I ask unanimous consent that there be printed in the RECORD immediately following our action on Senate bill 2051 a copy of the bill as passed, with the amendments.

There being no objection, the bill, as passed, was ordered to be printed in the RECORD, as follows:

S. 2051

An act to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes

Be it enacted, etc.,

TITLE I—GENERAL PROVISIONS

SEC. 101. The Congress hereby declares that the objectives of this act are—

(a) to facilitate maximum war production during the war and to expedite the transition from war to peace;

(b) to achieve full employment, rising standards of living, and effective utilization of the Nation's resources during the period of transition from war to peace, and thereafter; and

(c) to provide for the development of unified plans and projects and adequate machinery to achieve the foregoing objectives.

SEC. 102. (a) There is hereby established the Office of War Mobilization and Reconversion, which shall be headed by the Director of War Mobilization and Reconversion (hereinafter called the Director). The Director shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of \$15,000 per year, and shall serve for a term of 2 years.

(b) The following agencies shall be placed within the Office of War Mobilization and Reconversion:

(1) Office of Contract Settlement, created by the Contract Settlement Act of 1944.

(2) Surplus War Property Administration, created by Executive Order No. 9425, and any surplus war property administration hereafter created by statute.

(3) Retraining and Reemployment Administration created by Executive Order No. 9427, and any similar office or administration created in this or any other act.

Nothing in this subsection shall imply any derogation of the powers of the Director under subsection (c) with respect to other agencies not specifically placed within his office.

(c) In addition to any powers which the President may delegate to him for the purpose of more effectively coordinating the mobilization of the Nation for war, and for the purpose of more effectively attaining the objectives of this act, the Director shall, subject to the direction of the President—

(1) formulate or have formulated such plans as are necessary to meet the problems arising out of the transition from war to peace in such a manner as to achieve the objectives of this act;

(2) issue such directives to other executive agencies as may be necessary to carry out their powers in a manner consistent with the plans formulated under this section or to coordinate the activities of other executive agencies with respect to the problems arising out of the transition from war to peace. Each executive agency shall carry out the directives of the Director expeditiously and, to the extent necessary to carry out such directives, shall modify its operations and procedures and issue regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities which are not within the scope of the powers possessed by the President or the executive agencies under existing law or future acts of the Congress;

(3) recommend to the Congress appropriate legislation providing authority to carry out plans developed under this section but not authorized under existing law;

(4) promote and assist in the development of demobilization and reconversion plans by other executive agencies; develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between such executive agencies in the development and administration of such plans;

(5) cause studies and reports to be made for him by the various executive agencies which will enable him to determine the need for the simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination, or establishment by statute, of such agencies as now exist under Executive order only, and for the relaxation or removal of emergency war controls;

(6) institute a specific study, for submission to the President and the Congress, of the present functions of the various executive agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

(7) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local, concerning methods of achieving the objectives of this act; and

(8) submit reports to the President, the Senate, and the House of Representatives on the 1st days of January, April, July, and October, on the activities undertaken or contemplated by him under this act. Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

(d) The Director shall, within the limits of funds which may be made available, employ and fix the compensation of such deputy directors and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Office. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Deputy Directors and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other Government agencies. The Director may require such reports and information from other Government agencies as he deems necessary to enable him to carry out his functions under this act, and each Government agency shall furnish any information and reports so required.

SEC. 103. There is hereby created an advisory board, the members of which shall be appointed by the President, by and with the advice and consent of the Senate, and which shall include three representatives of industry, three representatives of labor, three representatives of agriculture, and three public members, one of whom shall be chairman.

It shall be the general function of the board to advise with the Director with respect to war mobilization and reconversion and make to him such recommendations relating to legislation, policies, and procedures as it may deem necessary to achieve the objectives of this act.

Members of the board shall receive a per diem allowance of \$25 for each day spent in the actual performance of duty, plus necessary traveling and other expenses incurred while so engaged.

SEC. 104. (a) There is hereby established a Special Joint Committee on Post-war Adjustment (hereinafter referred to as the "committee") to be composed of four Members of the Senate (not more than two of whom shall be members of the majority party) to be appointed by the President of the Senate, and four Members of the House of Representatives (not more than two of whom shall be members of the majority party) to be appointed by the Speaker of the House of Representatives. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members. The committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable. The committee may utilize such voluntary and uncompensated services as it deems necessary, and is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Government. The expenses of the committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman.

(b) It shall be the function of the committee—

- (1) to make a full and complete study and investigation with regard to legislation on demobilization and post-war adjustment in cooperation with such public and private agencies and such persons as it might see fit to consult;

- (2) to consult with the President and the Director on the need for legislation on demobilization and post-war adjustment;

- (3) to consult with the appropriate standing committees in the Senate and in the House of Representatives on the preparation of demobilization and post-war adjustment legislation, and on methods of obtaining expeditious action on demobilization and post-war adjustment legislation by achieving coordination among, and avoiding duplication of effort between, such committees; and

- (4) to study and review each report submitted to the Congress by the Director, and otherwise maintain continuous surveillance of the operations of the Director and other executive agencies under this act.

TITLE II—INDUSTRIAL DEMOBILIZATION AND RECONVERSION

SEC. 201. Any contracting agency shall terminate prime contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war, and shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war, unless the continuation of some or all of the work under any such contract will benefit the Government or is necessary to avoid substantial injury to a plant or property.

SEC. 202. Curtailments of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prosecution of the war, of production for nonwar use. To effectuate this policy—

(a) the contracting agencies shall continuously survey their product and material

requirements and report to the Director, in such form and detail as he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production, or terminations of war contracts;

(b) the Government agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation of production for nonwar use whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Such production for nonwar use shall be permitted regardless of whether one or more competitors normally engaged in the same type of production are still engaged in the performance under any contract which is needed for the prosecution of the war, and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time;

(c) the Director shall—

(1) establish policies to be followed by the contracting agencies in selecting individual contracts or classes of contracts for curtailment, nonrenewal, or termination;

(2) establish policies providing for full consultation between the Government agencies, war contractors, and the representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

SEC. 203. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized by any Government agency having control over manpower, production, or materials, on a restricted basis, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

(b) There is hereby created in the Office of War Mobilization and Reconversion a Board of Appeals to consist of three members appointed by the President by and with the advice and consent of the Senate, each of whom shall receive compensation at the rate of \$3,000 per year, and shall serve for a term of 2 years. When any person is aggrieved by the action of any such Government agency referred to in subsection (a) in allocating available materials for the production of any item or groups of items for nonwar use, such person shall, upon application therefor under such regulations as the Director may prescribe, be afforded an opportunity forthwith to present his views thereon at a hearing before the Board of Appeals. If, at such hearing, such person establishes to the satisfaction of the Board of Appeals that as a result of such action his business operations will be seriously interfered with or substantially curtailed because of a shortage of any material necessary to such operations, that his inability to continue business operations will result in a serious unemployment problem for his employees, or that the interests of the consumers of the articles produced or manufactured by such person will be substantially impaired, the Board of Appeals shall make an immediate report thereon to the Director. Thereupon the Director shall allocate to such person such amounts of the material with respect to which the shortage exists as in his judgment will be necessary to prevent substantial hardship to such person, his employees, or consumers.

SEC. 204. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen mo-

opolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter. The Attorney General shall submit to the Congress within 90 days after the approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable.

TITLE III—RETRAINING AND REEMPLOYMENT

SEC. 301. There is hereby established a Retraining and Reemployment Administration (hereinafter referred to as the "Administration"), the functions of which, subject to the general supervision of the Director of War Mobilization and Reconversion, shall be exercised by a Retraining and Reemployment Administrator (hereinafter in this title referred to as the "Administrator"), to be appointed by the Director of War Mobilization and Reconversion, at a salary of \$12,000 per annum.

SEC. 302. With the assistance of a Retraining and Reemployment Policy Board, composed of a representative of the Department of Labor, the Federal Security Agency, the War Manpower Commission, the Selective Service System, the Veterans' Administration, the Civil Service Commission, the War Department, the Navy Department, and the War Production Board, it shall be the function of the Administration—

(a) to have general supervision and direction of the activities of all Government agencies relating to the retraining and reemployment of persons released from war work, including all work directly affected by the cessation of hostilities or the reduction of the war program and to issue necessary regulations in connection therewith. Nothing in this section shall be deemed in any extent to affect, amend or modify the powers now vested in the Veterans' Administration or the Administrator of Veterans' Affairs.

(b) in consultation with the Government agencies concerned, to develop plans and programs relating to such retraining and reemployment.

SEC. 303. The Administrator shall have power to provide transportation, including transportation of dependents and household effects for civilian workers who have been employed in activities essential to the war effort, from the place of such employment to the location of their bona fide residence within the continental United States prior to their migration to war employment, or, at the election of such worker, to any other location of new employment arranged by the worker: *Provided*, That the cost of such transportation shall not exceed \$200 for any one worker, his dependents, and household effects, and shall not exceed the amount allowable for civilian employees of the several departments and independent establishments of the Federal Government in the Standard Government Travel Regulations.

SEC. 304. The War and Navy Departments shall discharge from the armed forces of the United States the men and women serving therein during the present war as rapidly as the appropriate department determines that the services of such persons are no longer needed for the prosecution of the war or for the national defense, and shall not retain such persons in the armed forces merely for the purpose of preventing unemployment or awaiting opportunities for employment.

SEC. 305. The Administrator shall confer with all existing Federal, State, and local agencies and officials in charge of existing programs relating to vocational education, vocational rehabilitation, training in industry, and other similar programs, and secure the expansion of such programs when and if necessary. If he finds that such expansion can-

not be secured, or can only be secured by additional Federal legislation or assistance, he shall recommend to Congress such appropriations and legislation as he considers necessary to carry out the provisions of this act.

SEC. 306. The Administrator shall, within the limits of funds which may be made available, employ and fix the compensation of such Assistant Administrators and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Office. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Assistant Administrators and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable the Administrator shall perform the duties imposed upon him through the facilities and personnel of other Government agencies.

TITLE IV—ADVANCES TO STATE UNEMPLOYMENT FUNDS

SEC. 401. (a) Section 904 (a) of the Social Security Act, as amended, is further amended by inserting, immediately before the period at the end of the second sentence of the subsection, a comma and the following: "or deposited pursuant to appropriations to the Federal unemployment account."

(b) Section 904 (e) of the Social Security Act, as amended, is further amended by inserting, after the words "a separate book account for each State agency" a comma and the following: "the Federal unemployment account."

(c) Section 904 of the Social Security Act, as amended, is further amended by adding at the end of the section the following new subsections:

"(g) The Secretary of the Treasury is authorized and directed, prior to audit or settlement by the General Accounting Office, to make transfers to and from the Federal unemployment account and the account of any State in the Unemployment Trust Fund in accordance with certification made by the Board pursuant to section 1201, not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

"(h) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment administrative expenditures made in such year, and (2) such further sums, if any, as may be necessary to carry out the purposes of titles XII and XIII. As used in this subsection, the term 'unemployment administrative expenditures' means expenditures for grants under title III of this act, for the administration of that title by the Board, and for the administration of title IX of this act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this act, the sum of \$40,561,886.43 which was authorized to be appropriated by the act of August 24, 1937 (50 Stat. 754)."

SEC. 402. The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

"SEC. 1201. (a) In the event that the balance in the unemployment fund of a State on June 30, 1945, or on the last day in any ensuing calendar quarter, does not exceed a sum equal to the total contributions collected under the unemployment compensation law of the State during the calendar year next preceding such day, the State shall be entitled, subject to the provisions of subsections (b) and (c) hereof, to have transferred from the Federal unemployment account to its account in the unemployment trust fund an amount equal to the unemployment compensation paid out by it in the calendar quarter following such day, which is in excess of 2.7 percent of the total remuneration, paid during such quarter, subject to State law.

"(b) The Social Security Board is authorized and directed, on application of a State unemployment compensation agency, to make findings as to whether the conditions for the transfer of moneys provided for in subsection (a) hereof have been met; and if such conditions exist, the Board is directed to certify, to the Secretary of the Treasury, from time to time, the amounts for transfer in order to carry out the purposes of this title, reduced or increased, as the case may be, by any sum by which the Board finds that the amounts transferred for any prior quarter were greater or less than the amounts to which the State was entitled for such quarter. The application of a State agency shall be made on such forms, and contain such information and data, fiscal and otherwise, concerning the operation and administration of the State law, as the Board deems necessary or relevant to the performance of its duties hereunder.

"(c) Any amount transferred to the account of any State under this section shall be treated as an advance, without interest, to the unemployment compensation agency of such State and shall be repaid by such State agency to the Federal unemployment account from the unemployment fund of that State to the extent that the fund of that State, at the end of any calendar quarter, exceeds a sum equal to the total contributions collected under the unemployment compensation law of the State during the preceding calendar year."

Unemployment compensation for Federal employees

SEC. 403. (a) The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XIII—UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

"SEC. 1301. (a) Any person who shall have rendered service as a civilian in the employ of the United States Government, after September 16, 1940, shall be entitled, in accordance with the applicable provisions of the unemployment compensation law of the State in which claim for compensation is filed, to receive compensation for each week of unemployment commencing after September 30, 1944, in the same amounts, on the same terms, and subject to the same conditions, as though the unemployment compensation laws of the several States did not exclude services performed in the employ of the United States Government. Any claim for compensation under this section shall be filed in a State in which a part of the service in the employ of the United States Government was performed. As used in this section, the term 'United States Government' includes any wholly owned instrumentality of the United States.

"(b) The Social Security Board is authorized on behalf of the United States to enter into an agreement with any State or with the unemployment-compensation agency of such State, under which such State agency will make, as the agent of the United States, payments of unemployment compensation to individuals with respect to services performed by them as civilians in the employ of the United States Government, on the basis provided in subsection (a).

"(c) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

"(d) In the event that any State does not agree to make such payments to such persons, the Civil Service Commission is hereby authorized and directed to make such payments.

"(e) All departments, agencies, and instrumentalities of the United States are directed to make available to the appropriate State agency such information with reference to compensation of persons in the employ of the United States Government as may be necessary to determine the benefits payable under this title.

"(f) In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under such section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of unemployment compensation. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

"(g) Determinations of entitlement to unemployment compensation made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act.

"(h) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification."

SEC. 404. This act, and the amendments to the Social Security Act made thereby, shall cease to be effective at the end of the second full calendar year after the termination of hostilities in the present war as declared by Presidential proclamation or concurrent resolution of the Congress, except that the obligation of the State agencies to repay advances made from the Federal unemployment account shall remain effective until such advances are repaid. Any amounts so repaid after the end of such year, and any amounts in the Federal unemployment account at the end of such year, shall be covered into the general fund of the Treasury.

TITLE V—PUBLIC WORKS

SEC. 501. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator is hereby authorized to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: *Provided*, That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake any projects so planned.

(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 percent in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 percent according to his discretion: *Provided*, That the allotments to any State shall aggregate not less than one-half of 1 percent of the total funds available for allotment hereunder: *Provided further*, That no loans or advances shall be made with respect to any individual project unless it conforms to an over-all local or regional plan approved by competent local or regional authority.

(c) Advances under this section to any public agency shall be repaid by such agency if and when the construction of the public works so planned is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

(d) The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

(e) As used in this section, the term "State" shall include the District of Columbia.

SEC. 502. The Secretary of Labor shall make a full study and investigation as to—

(1) the extent to which the adoption of annual wage systems would contribute to full employment and rising standards of living;

(2) the factors in favor of and against the adoption of various types of annual wage systems in various industries;

(3) present and past use of annual wage systems by particular industries or individual employers;

(4) other wage systems which might contribute to full employment and rising standards of living; and

(5) possible means to be used by the Government through tax advantages or otherwise in promoting adoption of annual wage systems or other wage systems designed to bring about full employment and rising standards of living.

(b) The Secretary of Labor shall submit to the President, the Senate, and the House of Representatives, within 6 months after the enactment of this act, and at such later dates as the Secretary may deem desirable, reports on the results of the studies called for in this section.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. When used in this act—

(a) The term "Government agency" means any department, independent establishment, or agency in the executive branch of the Government, including any corporation wholly owned by the United States.

(b) The term "contracting agency" means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any

corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, and the Smaller War Plants Corporation.

SEC. 602. There are authorized to be appropriated such sums as may be necessary or appropriate to carry out the purposes and provisions of this act.

SEC. 603. The provisions of this act shall become effective immediately, unless otherwise provided in the act, and unless otherwise provided shall be terminated at the end of 24 months after the termination of hostilities.

SEC. 604. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this act or the application of such provision to persons or circumstances, other than those as to which it is held invalid, shall not be affected thereby.

SEC. 605. When the Director first appointed under section 102 has taken office, the Office of War Mobilization established by Executive Order No. 9347, dated May 27, 1943, shall cease to exist; and such records and property of the Office of War Mobilization, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine shall be transferred to the Office of Mobilization and Adjustment.

SEC. 606. All orders, policies, procedures, or directives prescribed by the Director of War Mobilization in effect upon the effective date of this act, and not inconsistent with this act, shall remain in full force and effect unless and until superseded by the Director in accordance with this act, or by operation of law.

SEC. 607. No alien shall be employed in any capacity in the administration of this act unless he has served honorably in the armed forces of the United States.

SEC. 609. This act may be cited as the "War Mobilization and Reconversion Act of 1944."

MR. BARKLEY. Mr. President, I desire, for the information of the Senate, to inquire of the Committee on Military Affairs when we may expect the surplus property bill, which is now pending before that committee, to be reported to the Senate. I should like to have the attention of the Senator from Colorado [Mr. JOHNSON], the Senator from North Carolina [Mr. REYNOLDS], the chairman of the committee, or any other member who can furnish the information. I had hoped that the Senator from Montana [Mr. MURRAY], who is chairman of the subcommittee having charge of the bill, would be on the floor, but he seems to have stepped out. The Senator from Tennessee [Mr. STEWART] and the Senator from Ohio [Mr. TAFT] are also on the subcommittee. In order that Senators may know what to expect next week in regard to the bill, I wish to inquire when it is likely to be reported.

MR. REYNOLDS. Mr. President, I have conferred with the Senator from Montana [Mr. MURRAY], and I have called a meeting of the Committee on Military Affairs for Tuesday in order that we may receive a report from the subcommittee of which the Senator from Montana is chairman on the Stewart bill and on the Johnson bill. The Senator from Colorado [Mr. JOHNSON] is present.

MR. BARKLEY. Is it likely that the committee can report the bill on Tuesday?

MR. REYNOLDS. I hope the subcommittee may be able to report the bill to

the full committee at 12 o'clock next Tuesday.

Mr. JOHNSON of Colorado. Mr. President, do I understand the Senator from North Carolina to say that the Senate Military Affairs Committee will report out a bill for the calendar on Tuesday, or that the committee will hold a meeting on Tuesday?

Mr. REYNOLDS. No; the committee will hold a meeting on Tuesday. I hope the subcommittee may be able to report the bill to the full committee on Tuesday.

Mr. JOHNSON of Colorado. Oh, yes.

Mr. REYNOLDS. It is my understanding that a meeting of the subcommittee will be held tomorrow morning, and also on Monday.

Mr. BARKLEY. I think Senators would be happy to be advised, if it is possible, whether the Committee on Military Affairs is likely to report the bill for the calendar on Tuesday or any other day next week. If the committee is not going to report legislation on that subject next week or in time to take it up next week there is no point in Senators remaining here for that purpose. So far as I know, there is no other important legislation requiring their attention, which is ready for consideration or that may be taken up for consideration.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BARKLEY. I will yield to the Senator from Louisiana after I have obtained some information from the Military Affairs Committee.

Mr. JOHNSON of Colorado. Mr. President—

Mr. BARKLEY. I yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. I have not looked in any crystal ball, so I cannot tell very much about what the Senate Military Affairs Committee will do. I will say, however, that the question of the disposal of surplus property presents a very great problem. No part of the conversion problem approaches it in magnitude and importance. There is very great difference of opinion in the committee now with respect to the question. Whether the difference can be resolved, or whether it cannot, remains to be seen. But it is my opinion that it will take at least 2 days of most intensive work on the part of the Military Affairs Committee to report a bill dealing with surplus property for the consideration of the Senate. If we receive the report from the subcommittee on Tuesday, and if we are diligent and work hard for 2 or 3 days we will probably have a bill ready. It is my opinion that the committee report and everything else pertaining to the bill cannot be perfected and reported to the Senate until a week from Monday. I do not think that we can possibly have a bill ready for the consideration of the Senate before the 21st of August.

We might beat that time by a few days. We might have a bill ready by Thursday or by Friday of next week. Sometimes when we try to make haste we do the opposite. I think that would be true of this bill. It represents a very im-

portant piece of legislation. There are many angles to it.

Mr. BARKLEY. Under the circumstances, it seems to me that we will not know very much more about the matter until next Tuesday at least. It is my purpose to move that the Senate adjourn until next Tuesday; that we not have a session tomorrow or Monday. I think it is important to get the proposed legislation on the floor and consider it as soon as possible. I do not care to urge undue haste. When the legislation comes to the Senate I hope it will come with a report from the committee which will guide the Senate in its disposition of the subject.

Mr. REYNOLDS. Mr. President, I wish to say to the majority leader that we all know this is a very important problem, because it involves approximately \$100,000,000,000. I talked with the Senator from Tennessee [Mr. STEWART] at luncheon about his bill. He said that he believed surplus property would amount to in excess of \$80,000,000,000. The Committee on Military Affairs wants to give careful thought to the matter. Most of the members are present. We desire to have the first meeting next Tuesday. The chairman of the committee is very desirous that every member of the Military Affairs Committee give study to and pass on the proposed legislation in order that we may be able to be of some benefit to the other Members of this body when the matter finally comes up for consideration on the floor of the Senate.

Mr. President, to be perfectly frank with the leader, I do not believe we would be able, with as much difference of opinion as exists with respect to the matter, to submit a bill to this body before Monday a week. It is going to take some time to consider the matter.

Mr. BARKLEY. The Senator thinks the bill will not be ready for consideration on the Senate floor earlier than Monday a week?

Mr. REYNOLDS. I do not think it will be ready for a week.

Mr. BARKLEY. I am trying to obtain information for the guidance of Members of the Senate.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. STEWART. It might be possible for the Senate Military Affairs Committee to report the bill by Thursday, it seems to me. I am not a member of that committee. The chairman of the committee has just spoken. I do not wish to take issue with him on that question, but merely make the suggestion. The committee might be ready to report the bill on the floor on Thursday of next week.

Mr. REYNOLDS. I do not believe we will be able to do so.

Mr. BARKLEY. Evidently we will find out a little more on Tuesday than we can find out now. Senators will have to be governed by the situation as they see it as to whether they shall remain here or depart hence. I think, under the circumstances, it would not be wise for Senators to make arrangements to be absent from Washington or from the Senate all of next week.

My own judgment is, if I may say so, that when the committee reports the bill we can in all likelihood dispose of it in a couple of days. That is my judgment about the matter. I hope that is true. I have arrived at that judgment from an expression of opinion on the part of many members of the committee.

Mr. STEWART. It is quite possible, I will say to the Senator from Kentucky, that it will take a few days for consideration of the bill on the part of the whole committee, because two bills have been suggested, my bill and the bill of the Senator from Colorado [Mr. JOHNSON]. In a great many respects the two bills express two entirely different philosophies concerning the disposition of surplus property.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CLARK of Missouri. Mr. President, in my opinion, the most important part of the disposal of the surplus property has to do with the disposition of surplus airplanes. I happen to have been chairman of a subcommittee of the Committee on Commerce which has had that matter under consideration. We expect to make a report on the subject very shortly. We certainly expect to be heard on any general question of disposition of surplus property.

Mr. BARKLEY. I thank the Senator from Missouri.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHITE. I wanted to see if I clearly understand the situation. It is the purpose of the Senator from Kentucky to move to adjourn or recess until Tuesday next?

Mr. BARKLEY. Yes.

Mr. WHITE. If the Committee on Military Affairs has not reported a surplus property bill at that time, is it the purpose to make any other legislation the unfinished business of the Senate, or may we assume that we will stand more or less in suspense until the Military Affairs Committee legislation is before us?

Mr. BARKLEY. If I were to say that I expected to stand more or less in suspense until that legislation is reported, I might probably have two or three Senators on my neck concerning other bills on the calendar.

Mr. WHITE. I should think there would probably be more than two or three Senators.

Mr. BARKLEY. Yes. I think we can tell more about that on next Tuesday than we can predict today. I should like to give Senators all the information I can, but the Senator from Maine understands the situation as well as I do now. I think it is very important to take up the surplus property legislation first, if it shall be ready for consideration on the floor of the Senate. I do not like to anticipate taking up any other bill which is controversial and considering it in advance of the surplus-property legislation.

Mr. HILL. Mr. President, the Senator from North Carolina expressed the views I have with respect to the matter. The Committee on Military Affairs ought

to make all possible speed, but the subject is exceedingly important. I am sure it is going to take several days for the committee to study the bill and be ready to report it to the Senate.

Mr. MEAD. Mr. President, the Special Committee to Investigate the National Defense Program, of which I have the honor to be chairman, held an executive session yesterday for the purpose of considering matters of policy and determining upon a program for the work of the committee in the immediate future.

The great recent successes of our armed forces make it imperative that we leave no stone unturned to make certain that they have all the war matériel necessary to prosecute the war with the greatest vigor. We must see to it that the war is won just as soon as possible. All other considerations are secondary.

However, the great successes already achieved by our armed forces emphasize again the necessity that we have sound plans for an easy transition from war production to civilian production.

Problems inherent in that transition are truly great. In November of last year the committee called attention to those problems so that advance consideration could be given to an effective means of dealing with them. The committee is not a legislative committee. It has not suggested in the past, and it does not propose now to suggest, specific legislation. That is the function of other committees, and able work is being done by them right now on this very subject.

The committee's attention is devoted primarily to problems that either do not require legislation or as to which legislation at best would present only a partial solution.

One of these problems is the disposal of surplus inventories of goods at home and abroad. We must salvage whatever we can of these surplus goods. We thereby reduce the cost of the war and we provide articles for civilian use at a time when shortages of manpower and materials prevent ordinary civilian production. We must also consider materials which might otherwise overload our markets for years after the war and impair the ability of industry to provide employment for returning veterans and for war workers.

Legislative action and executive policies can do and have done much to assist in the disposal of these surpluses, but primarily a successful disposal depends upon the work of those who actually are doing the day-to-day work of selling the materials. Many millions of dollars' worth already have been disposed of, but the bulk of the task still lies before us. As a check on the work, the committee proposes to hold open hearings on the disposal of surplus properties commencing Thursday, August 17.

The committee is exceedingly anxious that the disposal of surplus machine tools and plants be carried out as expeditiously as possible. In the committee's third annual report, issued in March, it was pointed out that those tools and plants must be channeled into the production of civilian goods. In that way we shall

establish a level of production after the war sufficient to furnish our people with the wherewithal to maintain the highest standard of living in the world. In that way we will assure our veterans and war workers of employment.

For these reasons the committee particularly will inquire into the progress that has been made in disposing of machine tools and plants. Generally speaking, the plants are the last to become surplus, because so long as any substantial part of a plant is needed for war work it cannot be sold, even though some of the materials produced there are surplus and many of its machine tools are idle. However, the plants are of the greatest importance. In connection with the war program we have moved millions of workers from their former occupations, and they are today employed in new plants built at an expenditure of more than \$20,000,000,000. Those plants are the finest and the most modern in the world. To maintain America's place of leadership in the world they must be used.

In order to expedite the disposal of these plants, the committee will inquire as to whether full information with respect to the contents of the plants, their capabilities of production, and their costs of operation are being made available to any company legitimately interested in the possibility of acquiring them. Only in this way can we stimulate interest in acquiring the plants.

To the extent that our armed forces contract for supplies in quantities greater than they are needed, they not only increase the cost of the war, but they also impair and delay our conversion to peace. It is only natural that the military personnel should desire to provide too much rather than too little. The committee believes that a reasonable amount of overpurchasing provides insurance against the possibility of "too little too late." But it also wishes to emphasize that reasonable balance is required. For these reasons, the committee for many months in the past has been examining into the possibility that in some categories the military has been overordering. In most instances we have today what might be termed a pipe line of supplies moving from the factory where the war material has been finally assembled, through various depots and warehouses, and across the oceans to the fighting fronts. The necessity of filling this pipe line was the primary reason why the weight of our armed forces was not fully felt by the enemy until recent months. The fact that it has been filled is an indication that in most cases sufficient supplies will reach the fronts for many months to come.

We cannot stop production now on the theory that the war with Germany will be over within a few months. But we can and must take every precaution to limit purchases to those articles for which there is some reasonable expectancy of their being required and used. Articles should not be procured too far in advance. The further ahead articles are purchased, the larger the stocks in warehouses. All precautions against

shortage should be taken, but surpluses should not be created without good reason. Therefore, the committee has particularly been interested in investigating this problem in executive session.

This committee has always taken a stand for abundant supply to the military. In 1941 and in 1942, when many thought we were sufficiently equipped with raw materials, this committee urged expansion programs for war. We urged accelerated conversion of industry to war production at a time when many thought this to be unnecessary. In turning our thoughts to reconversion today we are not reversing our stand.

Last November the committee pointed out that as war needs began to be met in one category after another, materials would become available for civilian use and either would have to be freed for that purpose or lost forever. In its third annual report in March, the committee strongly urged that those materials should be declared to be surplus whenever they were not needed for the war effort, and allowed to be used by manufacturers in any way that they saw fit, provided, first, that the manufacturers did not refuse war contracts and, second, provided they did not attempt to manufacture civilian articles in areas of manpower shortage. As the Senator from Missouri [Mr. TRUMAN] stressed in his report to the Senate on Monday, progress in this respect has been disappointing because of the development of new needs for the war and because of the vehement objections of the military.

We must all constantly bear in mind that the military needs are paramount and are real. We do lack such items as heavy artillery, heavy trucks, and bombs, and a number of other important types of matériel, and we need 50,000 to 200,000 workers very badly right now in order that we may insure that in months to come there will be sufficient of these supplies for all possible uses. However, we should bear in mind that the number of persons required is a small percentage of the total work force of the United States and that the difficulty in obtaining them is due to many factors such as the overburdening of certain areas with war contracts, the requirement of special skills, and in the case of forge and foundry work, the hard work, poor working conditions, and relatively low pay in the industry. We must do all we can to provide the workers, but the military opposition to the use of materials clearly surplus in areas not declared to be actually short of manpower is unjustified. To deny free supplies of surplus materials to plants completing their war contracts, and to throw their employees out of work for the purpose of forcing them to change their occupation is a harsh proposal indeed. The power to do this is not new, but it must be exercised with the greatest of caution.

In its third annual report in March, the committee particularly stressed that the manufacturing of civilian articles with surplus materials must be limited to articles in which there was no manpower shortage. In areas where there is no manpower shortage or even in

areas where there is a manpower shortage, but the shortage is only in certain skills or trades and there is a surplus of workers in other skills not required for military production the committee believes that the work of reconversion must be permitted to take its ordinary course.

For these reasons, the committee under the leadership of the Senator from Missouri [Mr. TRUMAN] has followed closely all action with respect to reconversion, and at its executive session voted unanimously to hold public hearings with respect to this matter during the next few weeks.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF POSTMASTER NOMINATIONS

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Foreign Service.

Mr. CONNALLY. Mr. President, there is quite a long list of Foreign Service nominations. I ask that they be confirmed en bloc.

The VICE PRESIDENT. Without objection, the Foreign Service nominations are confirmed en bloc.

Mr. CONNALLY. I ask that the President be immediately notified.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

That completes the calendar.

ADJOURNMENT TO TUESDAY

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 7 o'clock and 2 minutes p. m.) the Senate adjourned until Tuesday, August 15, 1944, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 11 (legislative day of August 8), 1944:

FOREIGN SERVICE

To be Envoy Extraordinary and Minister Plenipotentiary to the Kingdom of Saudi Arabia

Col. William A. Eddy, United States Marine Corps.

PROMOTIONS

To be consul of the United States of America

Earl T. Crain

To be Foreign Service officer, unclassified, a vice consul of career, and a secretary in the Diplomatic Service of the United States of America

J. William Henry

PROMOTIONS EFFECTIVE AS OF JULY 16, 1944

To be Foreign Service officers of class 1 of the United States of America

Ralph H. Ackerman	Robert B. Macatee
H. Lawrence Groves	Orsen N. Nielsen
Donald R. Heath	Daniel J. Reagan
James Hugh Keeley, Jr.	Lloyd V. Steere
Alfred W. Killeforth	Harold S. Tewell
Thomas H. Lockett	

To be Foreign Service officers of class 2 of the United States of America

George Atcheson, Jr.	Samuel Reber
Merwin L. Bohan	Robert Lacy Smyth
Selden Chapin	Leo D. Sturgeon
J. Rives Childs	Clifford C. Taylor
George F. Kennan	John Carter Vincent
Paul O. Nyhus	

To be Foreign Service officers of class 3 of the United States of America

Maurice W. Altaffer	Joel C. Hudson
William W. Butterworth, Jr.	Lester DeWitt Mallory
George R. Canty	Quincy F. Roberts
Paul C. Daniels	James Somerville
Cecil Wayne Gray	Paul P. Steintorf
Julian C. Greenup	Howard H. Tewksbury
George J. Haering	S. Walter Washington
A. Dana Hodgdon	George H. Winters

To be Foreign Service officers of class 4 of the United States of America

Warren M. Chase	Paul W. Meyer
Oliver Edmund Clubb	Sheldon T. Mills
Richard M. de Lambert	James S. Moose, Jr.
Raymond A. Hare	Oliver B. North
George R. Hukill	James B. Pilcher
Leigh W. Hunt	Robert B. Streepner
Bertel E. Kuniholm	William T. Turner
	Osborn S. Watson

To be Foreign Service officers of class 5 of the United States of America

George M. Abbott	George D. LaMont
George D. Andrews	Harold B. Minor
William W. Corcoran	James E. Parks
Charles H. Ducote	Harold D. Robison
Archibald E. Gray	Harry E. Stevens
Charles A. Hutchinson	Arthur F. Tower
John B. Ketcham	Eric C. Wendelin

To be Foreign Service officers of class 6 of the United States of America

Ralph J. Blake	Fred W. Jandrey
Bernard C. Connolly	Foy D. Kohler
Merritt N. Cootes	Harrison Lewis
Earl T. Crain	Maurice Pasquet
Andrew E. Donovan 2d	Paul J. Reveley
Walter C. Dowling	John S. Service
C. Burke Elbrick	Clare H. Timberlake
John K. Emmerson	Joe D. Walstrom
Daniel Gaudin, Jr.	Milton K. Wells

To be Foreign Service officers of class 7 of the United States of America

W. Stratton Anderson, Jr.	Gordon H. Mattison
William Barnes	Roy M. Melbourne
Maurice M. Bernbaum	John Fremont Melby
Aaron S. Brown	Herbert V. Olds
Stephen C. Brown	Elim O'Shaughnessy
Harlan B. Clark	Paul Paddock
William E. Cole, Jr.	G. Frederick Reinhardt
Herbert P. Fales	Milton C. Rewinkel
Forrest K. Geerken	Fred K. Salter
Julie L. Goetzmann	Walter Smith
Edmund A. Gullion	Philip D. Sprouse
B. Miles Hammond	Charles W. Thayer
Leslie W. Johnson	David A. Thomasson
G. Wallace La Rue	Ray L. Thurston
Perry Laukhuff	Evan M. Wilson
	William Witman 2d

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 14, 1944

The House met at 12 o'clock noon.
Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presby-

terian Church, Washington, D. C., offered the following prayer:

Almighty and ever-blessed God, who hast revealed Thyself as the guiding intelligence and Father of all mankind, we humbly confess that we do not dare to begin the business and deliberations of this new week without invoking Thy presence.

We fervently pray that the mind and heart of our Speaker and of all these chosen Representatives of our beloved country may be made strong and vigorous with great moral and spiritual purposes as they seek in unity of spirit to perform the many challenging duties of their high calling.

Grant that we may be faithful stewards counting it the crown of our blessings to have this sacred opportunity and privilege of serving our generation according to Thy holy will. May all our aspirations and labors be attuned to that blessed hope that peace and prosperity may soon be the glorious heritage of men and nations everywhere.

Hear us through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of Thursday, August 10, 1944, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2051. An act to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

EXTENSION OF REMARKS

Mr. ANTON J. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein an editorial from the Macomb Daily Journal.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein a letter from an Indian in Italy.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY AND PLANTS

Mr. SABATH. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a rule on the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record in two instances and include therein certain communications and excerpts.